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Senedd Cymru | Welsh Parliament

Pwyllgor Diwylliant, Cyfathrebu, y Gymraeg, Chwaraeon, a Chysylltiadau Rhyngwladol

Culture, Communications, Welsh Language, Sport, and International Relations Committee

Gweithlu'r diwydiant creadigol yng Nghymru / Creative industry workforce in Wales

Ymateb gan BBC Wales / Response from BBC Wales



**Culture, Communications, Welsh Language, Sport and International Relations Committee**

**Inquiry into the Creative Industries Workforce**

**October 2022**

## **Context**

BBC Cymru Wales welcomes the opportunity to submit evidence to the Culture, Communications, Welsh Language, Sport and International Relations Committee as part of the inquiry into the Creative Industries Workforce.

The BBC is a vital part of the fabric of Wales, used by 90% of adults in Wales every week. The BBC's job is to inform, educate and entertain all audiences and provide great value for everybody. In Wales, it does so in two languages. It is founded on the principle that everybody pays, sharing the costs, so that everybody gets great programmes and services. This principle of universality, providing a service for everyone, makes the BBC a mission driven media organisation and a great Welsh and British asset.

In Wales, the mission of the BBC is uniquely important in defining national life. It is the only national broadcaster providing a range of content across television, radio (BBC Radio Wales and BBC Radio Cymru) and online, in both English and Welsh. The content offer brings the nation together and includes news, sport, entertainment and education, as well as the only full-sized professional orchestra in Wales, the BBC National Orchestra of Wales, in partnership with Arts Council Wales. The Welsh language television part of our mission is delivered in partnership with S4C. Many of the BBC's functions in Wales are not provided for at all by the commercial marketplace.

The latest Annual Report and Accounts shows that BBC Wales employs approximately 876 working from bases across Wales. These include Cardiff, Bangor, Wrexham, Carmarthen, Aberystwyth and Swansea.

The current headcount is a reduction of 60 overall from the previous figure reported in the 2020/21 Annual Report and Accounts. This is in line with the overall approach that the BBC has taken to reduce the public service headcount to create a leaner more efficient organisation.

In response to the pandemic in the previous year we paused recruitment for non-business critical roles and initiated a voluntary redundancy programme with the intention to deliver savings quickly in the face of the growing financial challenge. This created an opportunity to reshape and simplify the structure of the BBC, and this strategy continued into 2021/22.

Our business-critical staff worked from our broadcast centre through the pandemic and we're grateful to them for their commitment and professionalism throughout this difficult and challenging period. Non-business critical staff have phased their return to the workplace through hybrid working.

The pandemic had a significant impact on television productions here in Wales and across the UK, resulting in a significantly slower production process in some instances. In others, production stopped altogether.

Competition in the UK TV market has increased significantly over the last decade as consumers have more choice than ever before. Additionally the attractiveness of UK produced content for global audiences has increased investment in the UK's production sector. This has led to a significant increase in production costs ('input inflation') due to competition for production resources, particularly in genres such as high-end drama. The UK, in particular, faces considerable input inflation due to the current 'skills gap', scarcity of studio space and other factors which limit how quickly production capacity can expand. This has meant that production sector inflation has been in excess of general inflation. Additionally, the current higher rate of general inflation driven by energy cost and other product price increases will impact the production sector following cost increases continuing to impact the sector from the pandemic, driving costs for commissioners like the BBC higher still.

The issue of cost pressures is not unique to the BBC. *Broadcast's 2022 Indie Survey* respondents continued to find that their production budgets were being affected by Covid-19; 92% of indies reported that their costs were higher, by between 10% and 25% of their pre-pandemic levels, even though restrictions on filming had been relaxed by the end of 2021. Close to half of respondents reported that their production costs were higher than in 2020.<sup>1</sup>

## **Funding**

While the Committee's focus in this inquiry is on the workforce, we feel it's important to give context to the discussion and debate on the future of the BBC's current funding and future funding model.

As regards current funding, the starting point is that the BBC has been managing a c.30% real terms reduction in its income since 2012. In addition, the level of the Licence Fee has been frozen in both 22/23 and 23/24. This would be challenging in any environment, but hyperinflation is causing multiple pressures including additional pay-bill, energy and contracted distribution costs

The combination of these issues makes for an exceptionally tough financial environment and, at this point, we forecast it will result in an estimated £400m funding shortfall for the BBC by the end of this Licence Fee period.

Within the BBC, this is already leading to some very difficult decisions around what we are able to fund. The BBC has already announced its intention to stop a number of programmes and services.

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<sup>1</sup> [https://www.ofcom.org.uk/data/assets/pdf\\_file/0016/242701/media-nations-report-2022.pdf](https://www.ofcom.org.uk/data/assets/pdf_file/0016/242701/media-nations-report-2022.pdf), p.46

In respect of a future funding model - a debate which the BBC welcomes – given the impact of the funding on the creative sector. It is important that all the options are considered, with the public at the heart of the debate. Any process should win the confidence of the public, the Senedd and the UK Parliament and be evidence-based. Any funding model should also be sustainable in what will be a very different media landscape in the 2030s, not just answering today’s questions.

The BBC can of course be funded in different ways, but the result could be a fundamentally different BBC. This has profound implications for audiences and the UK’s creative economy. As part of this debate, it is vital to understand what audiences want and expect from the BBC in Wales, in the UK overall and in terms of the UK’s place in a global media market. Currently the BBC is the only British media organisation that operates at scale in the UK, globally and with a public mission at its heart.

The BBC has set out five principles which a funding model should meet in order to support the BBC as a national and global asset:

- **Does it deliver the Mission?** – providing a universal public service in the UK, to inform, educate and entertain. Everybody uses and benefits from our trusted impartial news, quality British content, and education services.
- **Does it safeguard impartiality and independence?** – championing free democracy in the UK and globally. Operating without fear of or favour to political or commercial interests.
- **Does it provide a sustainable financial model?** – supporting a BBC to innovate and modernise to meet new audience demands. Enabling the BBC to be ambitious, operate at scale in a global digital marketplace.
- **Does it help the creative economy grow?** – enabling the BBC to invest and work in partnership to grow the world-leading UK creative industries, develop British talent and export British content and services globally. Creating a strong UK brand valued across the world.
- **Does it deliver fair value for audiences?** – ensuring a system that is fair for our audiences, offering good value versus the market and is widely supported.

## **Diversity and Inclusion**

Creating a diverse and inclusive workforce is a priority for the BBC as is ensuring our content is reflective of the society we serve. Whilst we have made good progress in both areas, there is still work to do in this area.

Working with partners such as Culture Connect Wales, Screen Alliance Wales and It’s My Shout our aim is to ensure we are pro-actively working to secure a more diverse pipeline for BBC Wales and the industry more widely.

Our public engagement work in this area is a priority – both in terms of tours of our broadcast centre in Central Square and in particular the work we’re undertaking with schools across Wales. Over recent weeks there has been an additional project in place to

reach out to schools. Entitled, Share your Story this is a project which celebrates the BBC's centenary using our staff and presenters to inspire the workforce of the future.

In terms of inclusion we have a range of staff networks which are supported by the business. These include a disability network, LGBTQ+ and BAME networks as well as much more. These networks connect and support staff and are run by colleagues who are role models for diversity and inclusion. As well as wanting to ensure that the voices of their members are heard, they are passionate about encouraging a deeper understanding of diversity and inclusion across the BBC. They're a great asset to our workplace and we also help them work strategically on behalf of staff as well as our audiences and have a crucial role to play in the future success of the BBC.

We have also recently appointed a Portfolio Manager to focus on inclusion at BBC Wales.

BBC Wales also offers apprenticeship opportunities across the year. As part of the apprentice recruitment, we work hard to ensure our resourcing teams reach out to underserved communities all over Wales. In early 2023 we will be piloting disability traineeships, having worked closely with Disability Wales.

## **Skills and Training**

BBC Wales is currently working closely with industry partners on growing skills and identifying areas where there is a skills or training deficit. These industry partnerships include Factual Fast Track Wales, which will be launching for the third time in the next few weeks. The aim of this development course, organised in partnership with Channel 4, S4C, Creative Wales and independent production companies across Wales is to grow the next generation of business winners in factual production.

Ffilm Cymru's Beacons project is a short film scheme shining a light on Welsh talent, supporting emerging filmmakers from Wales to make a cinematic calling card with funding, training and advice. It's supported by BBC Cymru Wales and BFI Network with funding from the National Lottery. From a documentary portrait of local life to dark horror comedy, the projects commissioned through Beacons reflect the rich variety of talent and stories Wales has to offer.

BBC Wales has also been running a New Directors Scheme since 2017. Having identified a need to give talented up-and-coming directors the opportunity to make their first long-form documentary programme, we launched the scheme which sees four successful candidates each get the chance to produce a half hour documentary for BBC Wales. The new film makers are also be given access to a series of specialist mentoring sessions and masterclasses with leading figures within the documentary field in Wales and beyond.

The National Film and Television School (NFTS) has established a new national hub based in BBC Wales's Central Square broadcast hub Wales in partnership with the broadcaster and Creative Wales. Following the successful opening of hubs in Glasgow and Leeds in addition to its main site in Beaconsfield, NFTS Wales has focussed its activity on supporting very recent graduates to acquire the higher-level skills required to

either pursue postgraduate study or to successfully transition into the creative industries.

Backed by funding from Creative Wales, the new national training centre in Wales also supports emerging talent, as well as strengthen skills development. BBC Wales is working closely with NFTS to identify skills gaps and make the most of training opportunities.

Every year BBC Wales offers a number of apprenticeship opportunities across the business in order to support the growth of skills in the industry and in our workforce. The range of schemes on offer is spread across the operation, from Journalism, Technology and Operations, to Sport, Radio and Audiences. Our aim is to build a skilled and diverse workforce while providing an exceptional learning experience for our apprentices. Currently we have 27 apprentices across many functions within BBC Wales who have on-the-job training as well as learning opportunities with our Welsh educational partners such as Sgil Cymru and Cardiff and Vale College. Our apprenticeship portfolio is targeted to ensure we build a sustainable skills base in our workforce and the wider industry. Many of our graduating apprentices secure long-term employment with BBC Wales at the end of their scheme and others go on to work in the broader Welsh creative sector.

### **Collaboration with Creative Wales**

In September 2021, the BBC signed a Memorandum of Understanding [MOU] with Creative Wales. There was a good working relationship between both partners prior to the formal signing and it continues to flourish and grow. Creative Wales provides value to the BBC in a number of ways, including co-funding of content, building capacity in the sector, investing in skills and training, as well as using its national convening role for the public good.

The BBC-Creative Wales partnership is focused on delivering the following objectives:

- Creative impact – including UK-wide and global portrayal of Wales in commissioned content
- Economic impact – growing and upskilling Wales' creative industry base.
- Ensure our content is produced in a way which reflects the diversity of Wales
- Contributing to the economic success of Wales post COVID-19 and in a manner which is environmentally and socially responsible

The MOU supporting the partnership outlines the annual commitments in terms content and programmes from both parties. These were delivered in the first year and are on track to deliver in the second year. For example, Creative Wales have contributed funding towards the second series of *The Pact* due to broadcast this Autumn as well as a range of other drama series and factual programmes – including the BBC Three and BBC Wales co-commission *Hot Cakes*.

The partnership goes beyond TV. Creative Wales played an active role in the 6 Music Festival which came to Cardiff in April. They're also a key partner in the Comedy Festival which will be in Cardiff for the next twelve months. As part of the festival a partnership scheme, co-funded with Creative Wales, will pair a Welsh-based emerging independent production company with a leading BBC Comedy supplier to help strengthen and enhance comedy production in Wales.