

About S4C

S4C is the independent Welsh-language public service broadcaster and one of the UK's six PSBs. S4C offers a full service in Welsh every day of the week and across a variety of genres and platforms. This is essential for the audience and crucial for the future of the Welsh language.

We also play an important role in supporting the wider creative industry. As the broadcaster that commissions the most hours of content from Wales each year, S4C is a cornerstone of the screen sector in Wales. Almost 80% of our public money is invested in content from companies across Wales which in turn supports a highly skilled workforce that can work in their communities.

In 2019/20, S4C was responsible for an economic impact worth £197.4m in the UK economy and £141.1m in Wales. With a direct expenditure of £102.7 million in 2019-20, we support an average of 101 FTE jobs at S4C and 2,334 employees and freelancers in our supply chain – the vast majority of these being in Wales. S4C plays a key role in Wales not only for the audience and the Welsh language, but also for the economy and the wider workforce.

What is the current health of the sector's workforce, including the effects of the pandemic, Brexit and the cost of living crisis? Have workers left the sector, and what effect has this had?

S4C's vision for the production sector in Wales is a highly skilled, bilingual, representative, and inclusive workforce. Anchor broadcasters such as S4C have played a vital role in the success of the creative industries here, leading to a strong supply chain of independent production companies making first class content. We are working with Creative Wales, a Welsh Government agency, on developing skills and talent, focusing on opportunities for people from under-represented backgrounds in the sector and building a larger workforce that can work in the two national languages of Wales.

Yet, as in the rest of the UK, there are skills gaps across almost every area of expertise in the sector in Wales. Although this has been exacerbated by the pandemic, there is also a general shortage of workers. This was partly caused by the increase in recent years of productions that are filmed here due to the success and reputation of the Welsh television sector - a sector that was established mainly as a result of the existence of S4C as the Welsh language broadcaster (i.e. we commission the majority our content rather than creating it ourselves.) The Welsh screen sector workforce is also in great demand in areas beyond Wales, which can create additional recruitment challenges.

This skills gap could potentially offer a huge opportunity to grow a highly skilled workforce to work in the communities across Wales where S4C's production partners are based. In addition to the currently identified shortage behind and in front of the camera, we are increasingly seeing trends for new skills: digital or multi-platform content creation, data scientists, developers and more.

Screenskills estimates that around 15-21,000 extra crew members will be needed by 2025, across the UK. They further estimate that the value returned to the UK economy will be approximately 15 times the cost of investing in the skills and training required to train this additional workforce.

Covid had an impact on productions including the fact that companies were unable to get insurance for Covid. S4C noted at the time that insurance had risen to 0.85-1% of the production budget and the amount companies had to pay from around £2.5k-£4k (depending on the level of risk of the production) to £10k- £40k. Companies are still unable to access Covid insurance and are now building Covid health and safety systems into their production budgets.

S4C does not have exact figures for people leaving the sector. S4C commissions certainly continued during lockdown periods with additional commissioning rounds to support the sector and the workforce and to ensure that content remained on screen to entertain our viewers.

Overall, there is a general increase in content production costs beyond Covid. Prices have increased significantly in all areas – from fuel / energy costs for businesses – to a significant direct but also indirect increase through the supply chain, e.g., travel costs, hotel rates, and employee costs, especially freelancers.

How financially stable is the sector and how suitable are the pay and working conditions?

With the licence fee settlement in January 2022, S4C was assured of its public funding until April 2028. S4C will receive £88.85m from the licence fee. We have welcomed this, as it enables us to plan our content and commissions in the long term. The £88.85m includes an increase of £7.5m per year to support S4C's digital development, which will also have a positive impact on the sector in Wales. The funding is frozen for the first two years of the settlement, but there will be a CPI increase from 1 April 2024. In real terms and while inflation is high, S4C's settlement will be lower after 24/25 because we have had a flat settlement for the two years before that.

S4C is one of the sector's main commissioners, so the financial security from the settlement and S4C's role as a publisher broadcaster that commissions most of its content undoubtedly contributes to the stability of the Welsh language sector. Our production companies are important employers in their local areas and travel throughout Wales to film content for S4C. Arad's research estimated in 2021 that S4C's spending in 2019-20 supported 2,334 UK employees and freelancers through the supply chain and that S4C had an economic impact of £141.1m on the economy during the same period.

However, production costs have increased significantly over recent years - especially, drama. Note the following from Ofcom's report Small Screen: Big Debate – a five-year review of public broadcasting (2014-18) (published 27 February 2020):

"In 2018, multichannels spent less on first-run drama in total than the PSB broadcasters, although their hourly spend was higher. Including third-party spend, drama costs per hour in the multichannel sector rose dramatically over our review period to £1.9m per hour in 2018, up from £1m in 2014. This is consistent with the growing PSB spend on drama, which increased from £1.1m to £1.7m per hour over the same period."

Whilst average costs for high-end S4C drama productions are lower than this at around £250k-£300k per hour, there has been an increase of £25k-£50k per hour in tariff over the last three years, therefore 10%+.

A shortage of manpower (which, as noted, is partly the reason for the success and reputation of Welsh drama attracting productions and companies here) has also had an impact on production costs. Whilst this success is a positive thing, it has meant that there is more demand for staff than there is workforce. And of course, it is easy to understand the decision of freelancers who choose to work on productions for SVoDs and international platforms that have much larger budgets than those of the public broadcasters. We are eager to increase the number of people who can work in Welsh on screen and behind the camera. There is a real opportunity here to develop a workforce that could contribute towards creating a million Welsh speakers and to double daily consumption, and we would welcome further collaboration, including through Creative Wales and Cymraeg 2050 working with the broadcasters to make this a reality.

S4C expects the companies that create content for it to ensure fair working conditions and pay for their workforces. We work closely with TAC (Teledwyr Annibynnol Cymru) to ensure best practice and good industry relationships in the production activities of its members. We achieve this through a combination of commissioning terms, publishing policies and guidelines and contributing financially to the work of TAC's industry relationships.

We also collaborate with TAC on training, and support a range of schemes such as the Film and TV Charity's The Whole Picture Programme, the CULT Cymru Wellbeing Facilitator pilot, Bectu and 6ft from the Spotlight to ensure fair working conditions.

How equal, diverse and inclusive is the sector? How can this be improved?

Reflecting Wales is a priority for S4C. We are committed to contributing to improving diversity and inclusivity in the broadcasting sector in Wales. This includes work that is internal to S4C as well as being involved with production companies and other partners in commissioning and developing content, and

supporting new talent. A Diversity and Inclusion Officer was appointed in December 2020 to coordinate this work and S4C's diversity, inclusion and equality strategy is available [here](#).

S4C's main priorities are to improve inclusion in terms of disability and minority ethnicity as these are the two characteristics most underrepresented in the screen sector in Wales. We are also taking steps to ensure that people from less socio-economically privileged backgrounds come to work in the sector and this is also a big priority for us.

Unlike the other broadcasters, S4C is not yet formally monitored. We are working on this as a priority so that we can set targets as some of the broadcasters under Ofcom's licence have had to do for several years. We will join the Diamond monitoring scheme run by the Creative Diversity Network (CDN) as soon as possible. This will give us data about how diverse and inclusive S4C's content is and the sector that creates it for us so that we can set our own targets to reflect our audience.

We work to improve inclusion and representation in a number of ways including our membership of the CDN, partnering with specialist bodies and organizations that advise us and implement specific plans with S4C, and by funding specific projects and plans e.g.

- sponsoring bursaries to give access to the sector to people from under-represented backgrounds - with the College of Music and Drama, Cardiff Met University, JOMEC and S4C's Journalism Scholarship;
- working with Culture Connect to support opportunities in the film and television sector in Wales;
- It's My Shout and Screen Alliance Wales to present the sector and provide experience and training;
- co-funding the Rad Cymru Wales pilot to provide work experience and training for newcomers;
- organizing specific training on inclusion for S4C, and for the sector through our partnership with TAC, in partnership with external organizations such as Stonewall, DAC, Hi-jinx and others;
- sponsoring the Pride Cymru 2022 parade and commissioning special content

Many of these plans merge our training and inclusion strategies - these are linked. But there is more we can do. Working in partnership is essential if we are to ensure that the workforce and content reflect Wales today. Our intention is to continue working with other organizations and broadcasters and with both governments to continue to see progress.

We would support an industry-led integrated skills programme across Wales to improve diversity and representation within the sector's workforce, which is also linked to the ambitions of Cymraeg 2050.

How adequate are the training and skills opportunities? Are there gaps, and how should they be filled?

As previously noted, partly due to the success of the sector, there is a shortage of manpower which means that there are skill gaps across almost every work specialization and this has been supported by [the skills research that has been carried out by Clwstwr Wales and the Welsh Government since 2020](#). As the reports also indicate, further gaps are appearing in terms of a workforce that can speak Welsh and English.

S4C has a history of innovative support and training in the sector and will publish its latest skills and training strategy in 2023 in order to respond to the emerging challenges and opportunities in the sector in Wales. Since 2019, S4C has formed a partnership with TAC, to provide a skills and training programme for its producers. To date, the programme has delivered over 75 courses, moving online during the first lockdown to support the sector.

More investment in skills and talent development is needed to ensure a sustainable and innovative production sector, which can compete internationally whilst also meeting domestic demand. Sector-led training is essential. In addition to TAC, S4C also co-funds several training programmes with Creative Wales, Screen Alliance Wales, It's My Shout and other public service broadcasters including the BBC, ITV and Channel 4. Ensuring representation is also the aim of many these training programs.

Developing long-term talent ideally requires longer-term funding planning than is currently available. Plans to fill talent and skills gaps in high-demand areas - such as digital content creation and storytelling - should start young, not just through post-16 training. It should be ensured that these plans are part of the sector's partnerships and wider initiatives, including the Welsh Government's Cymraeg 2050 targets. Access schemes and bringing new people into the workforce, from all walks of life, is S4C's priority. We need more access opportunities. And these plans must be adequately funded. S4C welcomes the opportunity to work with Creative Wales and screen and training sector partners to address this. We are also developing a pilot scheme to bring more apprentices into the sector, building on work that has already taken place on S4C productions through collaboration with Sgil Cymru.

New skills

Following the licence fee settlement in January 2022, S4C has ambitions to establish a digital unit to meet requirements and help skills development. There are huge opportunities to develop talent in areas, such as science and data development, which are increasingly important to S4C and Welsh media. These are relatively new skills areas for S4C, and they are also ones where there is a shortage of skills across many industries and sectors - which makes it difficult to recruit. We feel there is potential to work across governments, with local authorities being part of creative development programs linked to Levelling Up schemes and other emerging funding streams and we would welcome further action on this. There are also obvious opportunities in terms of realizing the Cymraeg 2050 objectives of a bilingual workforce and these should be acted upon.

Personalization of content will become increasingly important in the provision of service to our audiences. Data will help gain insight into user behaviour and help deliver content relevant to our existing audiences and target potential new audiences. But we need the skills base in the sector to enable us to realize this ambition.

S4C's commercial arm has invested in the Aria studio on Anglesey with Rondo Media and the support of Creative Wales. Aria is about to open, and two soundproof studio stages will offer a total of 20,000 square feet of filming space. Skills and talent are at the core of the scheme with the intention of working in partnership with colleges, universities and media training agencies throughout Wales and developing freelance work opportunities across a range of specialisms. More details will be announced in due course.

What has been the impact of support from public bodies such as Welsh Government, and is further support needed?

We welcome the creation of the Creative Wales agency, and the fact that a creative skills action plan - which will cover the digital and music sectors as well as screen - is being developed. This integrated approach throughout Wales will be essential to the success of the creative industries in the future. We would also recommend action across borders so that the workforce can continue to benefit from training and production experiences through schemes running across the border. Leadership by the sector is essential. The provision available must be suitable for the requirements of the sector, and a national plan for Wales must be led by the broadcasters.

S4C, BBC, and Channel 4 have co-invested in significant skills and training projects, including the Factual Fast Track Wales Scheme, RAD Cymru Wales (with BBC Cymru Wales, Channel 4, and Creative Wales) and Culture Connect Wales (which has also been jointly funded by ITV Cymru Wales.) Projects like these are essential to ensure a diverse and skilled pipeline of talent for the sector in Wales and it is important that they continue.

Innovation is essential to the future of the sector in Wales. Both governments, funding bodies and sector organizations need to work together to support innovation and research and development to support the creative industries across the UK and ensure future growth and innovation. S4C has welcomed the partnership work of UKRI, the Arts and Humanities Research Council which has led to an £80m [Creative Industries Cluster Programme](#) to stimulate innovation and growth across the UK's creative industries. S4C is a partner in the Wales Creative Cluster programme which connects academia, industry, and governments. Through the Screen Innovation System and News Innovation Lab, Clwstwr aims to create and deliver a Research and Development programme that will enable the creation of a high value screen cluster. The Welsh Government is also part of the wider programme, and we welcome this as a multi-party approach to support skills development and innovation in Wales.

Conclusion

The sector in Wales is feeling the impact of Covid and workforce shortages, and inflation and the upcoming increase in costs will undoubtedly affect the creative industries. We see more focus in terms of representation and inclusion but recognize that there is a way to go until the sector reflects Wales today. It will be a few years before the current plans have a visible effect as we must target and stimulate interest in young people who are currently in school.

We believe that there are great opportunities in terms of developing a workforce with a high level of skills who will be able to work in Welsh and English. There must be integrated plans, which support Cymraeg 2050 and the needs of the sector in order to succeed and we welcome that Creative Wales is now working with the broadcasters to ensure this.