



HK/MLW

20 December 2023

Delyth Jewell MS  
Committee Chair  
Culture Communications, Welsh Language,  
Sport, and International Relations Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
CF99 1SN

Dear Delyth Jewell,

**Re: Magazine Funding Model**

Thank you for your letter dated 13 December 2023 regarding The Books Council of Wales's funding model for magazines. We are pleased to have the opportunity to answer the following questions you have asked us to consider:

- ***Can you explain why Welsh language magazines receive a significantly higher proportion of funding compared with English language magazines? The Welsh language grant was £388,875 in 2023, compared with £147,900 for English language magazines. Both figures are reduced from 2022.***

This financial year (2023/24), the Welsh-language grant supports 15 titles compared to the 6 titles supported by the corresponding English-language grant. As you would expect, this is reflected in the budgetary allocations.

The figures you have quoted are taken from our annual financial statement which reflects actual payments made to the magazines. In order for us to make the best use of the grant available in a given year and to support magazines in a flexible way, we occasionally prepay the first quarter of the next financial year which means that the time when payments are made can vary year on year.

The annual budget is £380K for the Welsh-language magazine grants and £180K for the English-language magazine grants; this broadly reflects the split in the Books Council's overall budget for books and magazines in both languages (£1.7m Welsh-language, £700K English-language). While this allocation is not defined in our Award of Funding letter, we would not choose to change it without a detailed discussion with our funders. Neither grant was reduced year on year.

The context for funding differs in both languages due to completely differing market conditions. Worldwide there are several hundred literary magazines available to English-language writers and readers, reflecting the enormous scale of English-language publishing in general. Our grant ensures that magazines with specifically Welsh content and perspectives are available to readers and writers, as Wales-related content is considered niche by mainstream publications and is unlikely to be covered in depth elsewhere.

The market conditions for Welsh-language magazines are such that, most likely, very few would be available if it weren't for public subsidy. The purpose of the grant is to ensure the widest possible variety of content and formats, and that readers of all backgrounds and interests are served with relevant content and formats.

- ***What discussions has the Books Council of Wales had about changes to the magazine sector in Wales? Given that there have been static levels of funding for the past few years, what changes have you considered introducing?***

The Books Council and its subcommittees are constantly monitoring the situation in the magazine sector in Wales and regularly discuss the situation during meetings. Officers hold regular annual appraisal meetings with grant recipients and any issues facing the publishing industry in Wales are discussed during quarterly meetings with Welsh Government with regular calls for more funding for the sector, especially following prolonged standstill funding against rising costs and higher inflation.

Magazines are offered equitable access whenever opportunities arise for extra funding. Over the past few years, magazines have been in receipt of several funding streams made available from Welsh Government through Creative Wales, including post-Covid emergency funding. In addition, the New Audiences Fund alone (£1.1M over two years) has provided the magazine sector with almost £320K of funding during 2022–24. £260K of this went to English-language magazines who have made constructive and innovative use of the funding.

During the current tender round some, but not all, of the magazines, made the case that their business model was no longer sustainable. This would have remained the case even if the grant could have been increased. Within the current tender guidelines, as well as the budgetary context, the requested increases were not feasible. This dilemma was further underlined during the interview process and led to the Subcommittee's decision that the best use of public funding, moving forward, was to commit £95K to one brand-new English-language literary magazine focussing on fiction and creative non-fiction that will have a viable business model at its core. The recent public campaign and open letter in support of magazines highlighted

concerns about sustainability and pressure on staff and working conditions. The English-Language Publishing Development Subcommittee believes that this new tender will go some way to addressing those concerns whilst providing a sustainable new platform to the readers and writers of Wales. More information regarding this new opportunity will be available in February.

- ***What review of the funding model, guidelines or application remit has the Books Council made in the previous five years? Are there any plans to review these in the near future?***

A panel of the English-language Publishing Development Subcommittee\* along with two external experts (themselves publishers of small independent magazines) met during 2022 to discuss in general terms what the context of the 2023 tender might look like. They produced a report for the Subcommittee which informed their discussions and the subsequent tender process. There are no plans to review these in the near future, but a review will be undertaken again in time for the next franchise round to be held in 2027.

As there will be a separate tender process for the funding made available following the recent decisions, specific guidelines and application remit will be produced for the new tender.

*\*(All the Books Council's core grants, for both books and magazines, in English and in Welsh, are distributed by two Subcommittees of the Board of Trustees, one for each language, comprising of external independent experts.)*

- ***We would also be grateful if you could provide us with an explanation of what underpinned the decisions you've made about the funding available to English language cultural periodicals. By this we mean, for example, the process you undertook, the criteria set out for grant applicants, how you benchmarked all the applications received against such criteria, and the full decisions you have made in this regard.***

As noted above, the funding available to English-language cultural periodicals reflects the general split in the grant allocations between the two languages. The Books Council's core grant has not been increased; therefore it was not possible to increase individual grants within the portfolio without detrimentally affecting other, equally important, funding streams.

The Books Council's current 5-year Strategic Plan, as agreed by our Board of Trustees and with Welsh Government, informed this process as it does all of our processes. Amongst other things, the strategy asks us to:

- encourage and reward risk-taking and experimentation, especially where there are identifiable gaps,
- examine and challenge the power of incumbency,
- [Support] business models that are flexible and agile and that do not solely rely on grants to publish content. (Regular review of financial viability of business to ensure that only sustainable businesses are funded.)

This franchise round was advertised openly and widely in spring 2023 with closing dates in August (stage 1) and October (stage 2). Current franchise holders were aware of this timeline in advance as it corresponded to the end of their current franchise.

The documents were available online and are still available here [Tenders | Cyngor Llyfrau Cymru](#)

The process was open to new applicants as well as current franchise holders. We received applications worth £400K for a grant pot of £180K. Five current franchise holders and four new entrants were interviewed.

The interviews were held face-to-face in Aberystwyth over two days. All bar two members of the Subcommittee attended, including one Books Council Trustee as well as the two external experts who were part of the 2022 review. The Panel was chaired by the Subcommittee's Vice-chair and served by four of BCW's officers.

All applicants were allocated 45 minutes for the interview, and a set of 7 questions, reflecting the key priorities, were asked of all applicants; these included sustainability of business models, mitigation proposals in case of future funding cuts, fair working conditions, covering underrepresented writers and topics, reaching new audiences and providing quality content.

The written applications and subsequent interviews were evaluated against the priorities set out in the guidelines (see attachment 1) and scored against those criteria. The panel's decisions were based on the merit of the application and the interview, and included due diligence regarding the validity and sustainability of the business model in order to make the best possible use of public money.

The following four applicants were successful in meeting these criteria:

**The Paper / Y Papur** – £10,000 per year plus a £10,000 start up grant during 2023/24. For providing a new platform for younger underrepresented writers, with a particular focus on working class writers.

**Poetry Wales** – £25,000 per year for providing a print and digital poetry magazine.

**Welsh Agenda** – £25,000 per year for cultural content including book reviews and providing a print and online platform for the publishing sector in Wales.

**Nation.Cymru** – £25,000 per year for cultural content including book reviews and providing a digital free at the point of use platform for the publishing sector in Wales.

Three out of the four successful applicants received offers lower than they had applied for but had a mitigating proposal in place to adapt their model, enabling them to accept the offers they received. Five applicants were unsuccessful and were provided with feedback, some using the opportunity to gain additional clarification from Books Council officers.

Digital developments greatly influence how readers engage with content and have led to an ever-changing publishing environment, especially for magazines. A regular, open and competitive call for applications acknowledges this fast-changing landscape and safeguards the best use of public money whilst ensuring that readers and writers benefit from a variety of platforms, formats and content.

We look forward to advertising the new tender following the February meeting of the English-language Subcommittee. We hope we've answered your questions in detail, but please feel free to contact us at any time should you require any further clarification.

Best wishes,



HELGARD KRAUSE  
Chief Executive

## **Attachment 1**

### **ASSESSMENT CRITERIA**

Current franchise holders will be assessed on the basis of their track record, their achievements of targets within the last franchise, and their proposals for the next funding period. Submissions from both new applicants and current recipients of funding will be assessed according to the following general criteria:

- the likely quality of the contents and editorial standards, based on previous issues/pilot editions/mock-up and the editorial policy outlined in the application;
- the applicant's commitment to supporting a diverse and inclusive publishing landscape, both in editorial policy and at the board level;
- the applicant's commitment to supporting skill development, to ensure a healthy publishing ecosystem;
- the applicant's ability to compensate contributors;
- the applicant's readiness to support material likely to attract new writers and readers;
- the likely quality of design and production, based on previous issues/pilot edition/mock-up;
- the applicant's ability to market and distribute throughout Wales and (where appropriate) beyond, based on a detailed marketing strategy;
- the applicant's ability to adhere to a publishing schedule;
- clarity of role in relation to other periodicals. The Books Council will consider whether a proposed title is likely to fill a gap in provision *or* perform more effectively than competing titles;
- the applicant's ability to attract funding, sponsorship and contribution in kind from other sources, and to diversify revenue streams;
- sales targets for the franchise period (through subscription and shops);
- value-for-money;
- the ability to develop content in multiple formats (e.g. print, web, app, e-pub etc.).