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Public Service Broadcasting in Wales: S4C's Response to the Committee's Report

Annwyl Delyth,

The Committee's interest in public service broadcasting in Wales is welcome and we appreciate the cross-party support for a sustainable future for S4C. As you mention in your '[State of Play](#)' report, it is vital that we are able to meet challenges and opportunities as the media world transforms, to continue to serve the needs of our audiences. And whilst the broadcasting landscape is changing rapidly, there is still an important place for public service media and for S4C as a unique service in that landscape.

We agree with the key findings of your report: that upcoming legislative changes through the Media Bill and sufficient powers for Ofcom to enforce the regulatory regime are greatly needed, that public service broadcasting needs sustainable funding for the future, and that we must be bold as we adapt, evolve and take on the challenges of the digital age.

S4C Funding

Today, S4C exists in an extremely competitive market. It is important, therefore, that S4C's content is available on a wide range of platforms, and is high-quality content that demands attention and offers something unique to its viewers.

The financial certainty and additional investment we received at the 2022 Licence Fee Settlement until 2027-28 has been absolutely essential in enabling us to plan for the next few years in the context of constant digital developments and a challenging economic picture. The award of additional funding, for example, has been key in allowing S4C Clic to be offered on new platforms, in growing short- and medium-form online content for younger audiences, and in developing S4C's digital news service, while protecting our core TV service and programming budget.

It is encouraging to see that this investment and strategy is succeeding, as S4C maintains its weekly reach in Wales well and has regained some of the younger audience as S4C's digital viewership continues to increase significantly.

Since 1982, S4C has been funded through various formulae and sources, however, the statutory provisions have always outlined the financial requirement to enable S4C to provide a high-quality Welsh-language service.

The Department for Culture, Media and Sport has invited S4C to contribute evidence to their review of the TV Licence model. Through that evidence and as core principles, we are emphasising that S4C requires sufficient, predictable, and sustainable levels of funding. The way in which S4C is funded after 2028 will directly affect how well it can meet future challenges and the demands of its audiences, and the cultural, economic and social value it can create in Wales over the decades to come.

Economic impact of S4C

Since its launch, S4C has recognised that it has an important role and responsibility to contribute to the future of our language, culture, society and economy. We are very proud of the part we have played in the success of the creative industries in Wales and of the strong chain of independent production companies established here.

S4C's first priority is to provide a high-quality service on TV and digital platforms that meets the demands of its audience. To this end, we commission programmes based on the best idea and strive to reflect the whole of Wales through that provision. The tendency is that we therefore invest and commission our content from production companies across Wales and our supply chain companies in turn play an important role in their local economies.

A [recent report by Wavehill on](#) the economic and social impact of S4C's activities shows that S4C supports 1,900 jobs across Wales and creates £1.53 for the Welsh economy for every £1 it receives from Licence Fee income.

It is undoubtedly important that S4C's economic and social contribution is felt in every corner of Wales. We report annually on our expenditure on content and specify the distribution of that expenditure based on the office location of the production companies that create our programmes in the S4C Annual Report and Accounts.

It should be noted that, in any given year, the distribution of this expenditure will vary according to S4C's range of commissions and annual broadcast schedule. It should also be noted that this is one yardstick, and that the distribution is not necessarily a true reflection of the expenditure of S4C productions across the country, nor of on-screen representation of Wales' diverse communities.

Towards the end of last year, we noted the fifth anniversary of Canolfan S4C Yr Egin in Carmarthen and our *Bariau* drama series was filmed at the new Aria Studios, Llangefni. These are prime examples of direct investments S4C can make to support local communities and economies in west and north Wales.

We recognise that investment, partnerships and facilitating collaboration are key in contributing to regional development. For example, S4C's presence in Carmarthenshire generates a total of £730,000 in GVA per year and supports over 10 full-time jobs outside of S4C. With S4C acting as an anchor organisation at Yr Egin, over 15 businesses are also tenants which enables greater collaboration, connections and sharing ideas within the digital and creative industries.

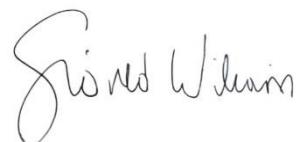
S4C has committed to commissioning a report on the economic and social impact of its activities next financial year, and we look forward to being able to update the Committee in due course on areas of progress. We also collect and report on our audience's views on how well S4C manages to reflect the diversity of people living in Wales through our programmes.

S4C's value has always amounted to more than just a television channel, and it is our priority to ensure a firm and sustainable future for S4C, the production sector in Wales, and the important impact on our language, economy and culture.

Yours sincerely,



Guto Bebb
Interim Chair, S4C



Sioned Wiliam
Interim Chief Executive, S4C