

1. Introduction

1.1 The Committee correctly identifies the issues facing S4C, its funding and its governance. However, we believe these should first be considered in a wider context. This submission, whilst dealing with your detailed issues where appropriate, will therefore largely deal with the wider issues we invite the committee to consider.

1.2 S4C was established to provide a television service in Welsh. The simplicity of that description hides the complex networks of politics and social tension that led to its creation. The UK government eventually accepted that it had to remedy a failed market and provided a solution that respected the rights of Welsh-speakers to have their lives better represented and portrayed on the leading visual medium of the day.

1.3 Today's media landscape is very different. In today's digital world, print, audio and video content occupy the same distribution platforms. Most interaction between government, public bodies, the private sector and individuals is now digital. Social media has developed into an over-arching blanket covering all aspects of people's social lives and interests. The emerging digital communities have created a new world in which television has to fight for its place.

1.4 Digital platforms have delivered a new world order for content. Globalisation of so much content has resulted in new business giants whose interests are unlikely to coincide with those of Wales, let alone the Welsh language. Digital development offers opportunities for content delivery and economic growth. We need to establish structures that give Wales an adequate voice in these developments.

1.5 These factors alone would require an S4C created today to be a very different to the one we have. We believe the current review is an opportunity to put in place a new enhanced body fit for the digital age, bringing together the existing Welsh-language services and products funded by the Welsh and UK governments.

2. Remit of S4C

2.1 We believe that S4C's primary mission should be through content to provide a service to Welsh-speakers and by so doing sustain and nurture the Welsh language and communities. Its present structure, reach and resources are ill-matched to that role. In a digital age television alone is not enough.

2.2 The government has a strategy for the Welsh language that is widely accepted throughout Wales. This affirms that we are a bilingual country and the Welsh language is to be supported and nurtured so that it can play an appropriate part in all aspects of Welsh life. The old battles for the right to use Welsh are largely in the past and remain mainly only when there are disputes about what is possible to do. Welsh-medium education at school level has been successful because of the choices made by parents, those that do not speak Welsh as much as those that do.

2.3 The digital world is our first genuinely global culture and it creates a new environment that languages everywhere are struggling with. English has become the language of the digital age and it impacts all languages and particularly those not historically international in reach. Welsh-language services are no longer unique in suffering from market failure. However, today's market failure needs different solutions.

2.4 Our governments have found it necessary and desirable to provide financial assistance to a wide range of Welsh-language services and products. These include television, radio and films, books, newspapers, the Urdd, educational materials and the arts. Funding has also been provided to community initiatives, particularly the Mentrau Iaith.

2.5 We believe there is merit in bringing the setting of strategy, the funding and the delivery of these products and services together. This more co-ordinated strategy would better serve the needs of Welsh-speakers and the language. The variety of funding sources and different governance requirements may present difficulties but they are largely political rather than practical.

2.6 There are several areas that might be considered for inclusion:

- Having S4C in charge of television and the BBC in charge of Radio Cymru makes no sense and both services should be brought together under S4C.
- The Welsh-language film industry is supported directly when appropriate by the Welsh Government as part of its wider economic strategy for film and high-end television. Understandably, only rarely will Welsh-language films be able to make an entirely economic case and a new S4C would be better placed to decide which projects deserve support.
- Other audio visual material, for historical reasons, is supported by the Welsh Arts Council.
- Papurau Bro have been amongst the most successful Welsh-language initiatives of recent years. A digital strategy and central support for content could be the next major step-forward for this sector. They are grounded in our communities and should remain so but with help they can become so much more successful.
- The Welsh Books Council has failed to deliver a coherent digital strategy and could be absorbed easily into a new body. Books and newspapers in Welsh have been slow to move to digital. This is unacceptable in industries where the future distribution systems are digital. The potential for improving cross-promotion and co-ordination is so great that urgent action is needed
- All education systems are moving to the use of digital and audio-visual content. For the Welsh language the costs and the difficulties of providing content of equivalent quality to English is going to become an increasing problem. Meanwhile, S4C has for years had a successful schedule of programmes for younger children but largely content that is not co-ordinated into our schools syllabus. Meanwhile the Welsh Government commissions educational content as required to meet its needs. The potential for co-ordination is obvious but it may be more cost-effective and provide better content if the new S4C is required to provide content better linked to the syllabus and has responsibility for commissioning other educational content as well.

- The Arts Council is a significant player in the Welsh-language arts scene. However, the arts are a key building block of the wider Welsh-language culture as well and again a co-ordinated approach should be better able to deliver long-term benefits. For example, much of the Welsh-language arts is amateur and works closely with local groups through eisteddfodau, the Urdd and Mentrau Iaith. S4C already plays a big part in showcasing and promoting these events. Why shouldn't its remit include these issues, their strategy and funding.

We are fortunate that in S4C a public body already exists that can be evolved to contain these other areas within its remit.

3. Governance

3.1 At first sight there are overwhelming governance issues to deal with in creating a new body along the lines we envisage. We believe the governance concerns are largely superficial and can be dealt with relatively easily.

3.2 What we have now doesn't work well anyway. The UK's current devolution settlement has not included satisfactory arrangements for the governance of PSB services. The new devolved governments were neither recognised nor represented. No broadcasting institution has been directly accountable to the people of Wales.

3.3 The existing governance arrangements for broadcasting take little account of the effect of public service broadcasting on so many areas of Welsh life – political, cultural, educational and economic – for which the Welsh Government carries the responsibilities. This arrangement was not sustainable. The case for a re-balancing of powers and responsibilities to give the Welsh people a greater voice in determining the requirements and monitoring delivery of PSB in Wales is now acknowledged, at least in the case of the BBC in the new Charter.

3.4 Broadcasting is not devolved and there is no political consensus that it should be. Funding for the services and products we list above is varied and complex. It is provided by the two governments, the BBC and by commercial activities. These funds are provided by long-term arrangements such as the BBC licence fee and shorter-term funding varying in length and certainty from central government and a variety of Welsh Government departments,

sometimes from arms-length bodies such as the Welsh Arts Council and the Books Council. Ofcom of course has a regulatory role as well.

3.5 Disentangling these various interests need not be a major problem and if the right structures are put in place the various elements of the new body can be introduced on an incremental basis over time.

3.6 S4C as it stands has governance issues that need to be resolved urgently. The existing arrangements between DCMS, the BBC, Ofcom, the Welsh Government and S4C are being debated because the implementation of the new BBC Charter requires public debate and DCMS is committed to a wide-reaching review of S4C.

3.7 None of these discussions should be permitted to ignore the need for proper and sustainable funding for S4C's television service. Traditional television content, however distributed, will be the cornerstone of people's consumption of content for the foreseeable future. A Welsh-language television service is going to remain at the heart of protecting, sustaining and developing the Welsh language.

3.8 Funding for S4C presently comes from the BBC licence fee, DCMS, S4C's commercial activities and its commercial fund, built up from previous commercial investments. Whilst the level of funding is always going to be an issue the source of it creates no governance responsibilities or difficulties beyond those we have at present. There are already new governance issues impacting the relationship between the UK government, the Welsh government, Ofcom and the BBC that need to be discussed and resolved:

- The role of the new BBC Board member for Wales is fundamentally different to that which prevailed under the previous arrangements. It is more than a superficial point that the person is appointed by the Queen in Council. The Welsh Government is involved in the appointment process and the appointment has to be approved by Welsh Ministers as well as DCMS. Under the new Charter there are new BBC corporate obligations to Wales. There are also individual responsibilities for the new Board member in regard to this government and Assembly. Conflicts between the individual's responsibilities to Wales and to the BBC are envisaged in these arrangements although no easy solution is suggested. The close

working and funding relationship between BBC and S4C will naturally contribute to this difficult overlay of responsibilities.

- Ofcom also will have a specifically Welsh remit encompassing traditional regulation and now ensuring the Service Licence for Wales is delivered by the BBC. This latter issue will extend, for example, to the delivery by the BBC of economic benefits to Wales as promised by the BBC. It is likely that a similar approach will need to be taken with S4C as part of its funding arrangements and the need for Ofcom to monitor delivery.
- With a new consultative and regulated approach to BBC Service Licences it's not feasible these matters in the case of Welsh-language services could be left entirely to the S4C Authority. One needs just to consider what their services might be required to do to make the point. These might contain:
 - The number of hours to be broadcast on television needed to sustain a full service
 - The types of programmes to be made possibly by genre
 - Defining the news and current affairs services required
 - On-line services
 - The portrayal of people throughout Wales
 - Economic impact requirements
 - Commitments to training and developing skills in the industry
 - Commitments relating to the relationship between the services and the education system in Wales.
 - Commitments relating to the relationship between the S4C services and Welsh Assembly Government policy on (and the UK's international law obligations relating to) promoting and safeguarding the Welsh language

4. Conclusion

4.1 The future clearly is going to see a much more layered governance approach to broadcasting and whether it is formally devolved will matter less

than people think. The structures already put in place will require Cardiff and London governments, the BBC and S4C to find new ways of working.

4.2 Retaining the governance arrangements required by central government, the BBC centrally and Ofcom whilst balancing the governance needs of Wales is already an issue whether S4C stands as it is or evolves into a body more relevant to the wider needs of Wales.

4.3 A restructured S4C accountable perhaps differently to its various funders and regulators, its two government sponsors and to the people of Wales is possible. Such a body co-ordinating the strategies and requirements of its stakeholders could be transformational in bridging the gaps emerging between the Welsh language and the modern world. Television isn't enough anymore. S4C as it stands isn't enough anymore. Everyone involved in debating these issues claims to be working for the best possible services for Welsh-speakers and for Wales. The best solution requires the bringing together of strategy, services and products, funding and governance.