

Background

The Welsh Language Commissioner welcomes the opportunity to comment on the inquiry. The main aim of the Welsh Language Commissioner in exercising its functions is to promote and facilitate the use of the Welsh language. In doing so, the Commissioner will seek to increase the use of the Welsh language in relation to the provision of services, and through other opportunities. In addition, the Commissioner will have regard to the official status of the Welsh language in Wales and the statutory duties to use the Welsh Language through imposing standards.

Two principles underpin the work of the Commissioner, namely

- in Wales, the Welsh language should be treated no less favourably than the English language and
- persons in Wales should be able to live their lives through the medium of the Welsh language if they choose to do so.

One of the Commissioner's strategic aims is to influence the consideration given to the Welsh language in terms of policy development. Comments are provided to this end and in accordance with the Commissioner's role as an independent advocate on behalf of Welsh speakers in Wales. This approach is taken in order to avoid any potential compromise of the Commissioner's regulatory functions, and if the Commissioner wished to formally review the performance of individual bodies in accordance with the provisions contained in the Measure.

In line with this, comments are made below in relation to the inquiry terms of reference.

The role and contribution of S4C

Broadcasting plays a crucial role in promoting regional and minority languages across the world and in Wales. As the only broadcaster of Welsh-medium public television in Britain and the only Welsh television channel in

the world, S4C has an unique role in ensuring that the Welsh language thrives.¹

The effect of the channel is multilateral and diverse. In its capacity as an employer which supports independent production companies, S4C raises the status of the Welsh language and increases its use. S4C also contributes to growing the Welsh economy through investment and job creation in the areas where the Welsh language is strongest.

The Welsh language is central to S4C's work. S4C itself says: '*The Welsh language is central to S4C's remit and existence... S4C is an essential part of the effort to create an environment where the language is thriving. active and alive, an environment where people have the choice of enjoying and discussing entertainment, news, sport and the arts through the medium of Welsh – at work and at home.*'²

Despite this, S4C's current statutory terms of reference, as set out in the Communications Act 2003, do not clearly indicate the role of the channel in maintaining, supporting and promoting the Welsh language. A review of the channel provides a valuable opportunity to detail and build upon the current terms of reference, highlighting the pivotal contribution of S4C to ensuring that the Welsh language thrives – and the central status of the language in the services provided by S4C.

Consideration should be given to adapting S4C's current terms of reference to clearly indicate the crucial contribution of S4C to ensuring that the Welsh language thrives; and to underline that the Welsh language and its users are at the heart of the service provided by the channel.

Funding S4C

Since 2011, S4C has suffered serious financial blows. The channel's budget has been cut by the equivalent of 36% in real terms over the last four years. Between 2011 and 2015, efficiency savings equating to £12.5 million were

¹ Welsh Government. *A living language: a language for living Welsh Language Strategy 2012–2017* (2012), pp. 47–48.

² S4C, *S4C: Looking to the Future* (2015), p. 10

[http://www.s4c.cymru/media/media_assets/s4c-edrych-ir-dyfodol.pdf].

made.³ The channel's overheads now equate to approximately 4% of its expenditure. It could be argued that the financial cuts can now be seen to be having an effect on the channel's provision. For example, In 2010 a high definition service was introduced, however it was decided to omit this service by the end of 2012 in order to make savings.⁴ The service was reintroduced in 2016, but it will again be at risk if further cuts are made.⁵ The number of repeats on S4C is further evidence of the financial challenge facing the channel. By now, repeats account for 57 percent of S4C's content – compared with 5 percent of the BBC's content. Given this, we note with some concern the Government's intention to introduce a further financial cut before undertaking a review of S4C.⁶

Given the disproportionate budget cuts imposed on S4C to date, as well as the number of efficiency savings made by the channel, any further cuts would be unreasonable and risk the future of the channel and its ability to continue to support and promote the Welsh language. We ask the Committee to press for a halt to any further cuts to S4C's budget.

At the same time, S4C needs a suitable budget in order to meet the diverse needs of Welsh medium audiences today and in the future – based on the ambition and projection that the number of Welsh speakers will increase over the coming years. It is essential that S4C has the ability to support that growth and to contribute to it. All adequate growth in the channel's budget should be aimed for so that it can achieve this aim.

According to S4C and others, the budget should be adequate to allow for the following:

³ S4C, *Annual Report 2014/15* (2015), pp. 54–55

[<http://www.s4c.cymru/abouts4c/annualreport/acrobats/s4c-annual-report-2015.pdf>].

⁴ The Institute of Welsh Affairs, *IWA Wales Media Audit 2015* (2015), t. 15

[http://www.clickonwales.org/wp-content/uploads/IWA_MediaAudit_v3.pdf].

⁵ See evidence from Huw Jones and Ian Jones {S4C} to the Welsh Affairs Committee, 30 January 2017:

[<http://www.parliament.uk/business/committees/committees-a-z/commons-select/welsh-affairs-committee/news-parliament-2015/s4c-review-one-off/>].

⁶ 18 January 2016 The Minister Matthew Hancock suggested that S4C will receive £6.058 million in the next financial year (2017/18).

This would equate to a cut of nearly £0.7 million to S4C's budget. 9 February 2017 David Hanson MP alleged that in line with current projections, S4C will receive a cut of 10 percent by 2021.

- Reduce the number of hours of repeats, and Increase the percentage of original productions;
- Develop its programmes for children and young people;
- Establish its high definition service, with financial security that this service will not have to be abandoned again;
- Continue to develop its presence across various platforms, and develop its provision 10 different age and social groups;
- Improve the accessibility of its content, including the extension of its provision of Welsh subtitles.

S4C should be financially equipped to grow and develop its provision for future Welsh speaking audiences. We ask the Committee to express its support for that vision.

During the review of the BBC's Royal Charter last year, the viewing figures of the services provided by the BBC to the Welsh speaking audience received considerable public attention. This has also been raised in relation to S4C's provision. A funding formula for S4C, which focuses on viewing figures and which compares its viewing figures with those of other broadcasters, would not be suitable. S4C's context is unique in Wales in the sense that it broadcasts programmes in a minority language, and therefore comparing its viewing figures with the viewing figures of other broadcasters is not appropriate. The budget should be determined on S4C's own merit, and its unique contribution to cultural, social and economic life in Wales.

We ask the Committee to emphasise that S4C's funding formula should reflect its unique contribution to cultural, social and economic life in Wales.

Whatever funding arrangements are agreed for S4C in the future, it is essential that those new arrangements provide long term financial security which will allow for appropriate planning over time.

We ask the Committee to strongly recommend a funding arrangement for S4C which provides long term financial security in order to allow the channel to plan effectively for the coming years.

S4C's governance and accountability, and relationship with the BBC

Whilst we do not wish to offer a detailed response to this question, it is clear that S4C's regulatory framework should protect the channel's editorial and operational independence in the long term.

S4C's visibility

Changes in viewing patterns and audience requirements have been noted recently, which have transformed the broadcasting landscape in the UK. These changes offer opportunities to broadcasters; but also pose increasing challenges.

It is evident that S4C is trying to grasp these opportunities by extending its reach online and also across various platforms. S4C's launch on BBC iPlayer contributed to an impressive increase in the number of individual weekly browsers of Welsh-medium content. S4C's content can now be accessed on platforms such as Sky, Freesat, Virgin Media and YouView;⁷ and via apps on iOS and Android devices. These developments are gratifying and are to be welcomed.

Investment is required in order to innovate. According to Ofcom, the changes in technology and the behaviour of users could lead to a further strain on the budgets of public broadcasters in the coming years.⁸ If this is the case, it could be argued that the cuts to S4C's budget over recent years place the channel in a challenging and vulnerable position.

Despite the recent changes in viewing patterns, the use of traditional media remains strong. In the opinion of S4C, moving its service entirely to digital

⁷ S4C, *Annual Report 2014/15* (2015), p. 6

[<http://www.s4c.cymru/abouts4c/annualreport/acrobats/s4c-annual-report-2015.pdf>]

⁸ Ofcom, *Public Service Content in the Internet Age* (2015)

[https://www.ofcom.org.uk/_data/assets/pdf_file/0025/63475/PSBstatement.pdf]

platforms would mean a loss of 60–65 percent of viewers.⁹ It is crucial therefore for S4C to be able to continue to develop and grow its traditional television service whilst also developing its presence on new platforms.

We ask the Committee to acknowledge that it is essential that S4C has an adequate budget to allow for innovation and the modernisation of its digital service, as well as the development of its traditional viewing service in a way that facilitates access to quality Welsh-medium content for various audiences.

I trust that these comments will be of assistance to the Committee in undertaking its inquiry into the future of S4C.

Yours Sincerely,

Meri Huws
Welsh Language Commissioner

⁹ See evidence from Huw Jones and Ian Jones (S4C) to the Welsh Affairs Committee, 30 January 2017:

[\[http://www.parliament.uk/business/committees/committees-a-z/commons-select/welsh-affairs-committee/news-parliament-2015/s4c-review-one-off/\]](http://www.parliament.uk/business/committees/committees-a-z/commons-select/welsh-affairs-committee/news-parliament-2015/s4c-review-one-off/).