

BCR 06

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee

Ymchwiliad i'r Adolygiad o Siarter y BBC

Inquiry into the BBC Charter Review

Ymateb gan: Comisiynydd y Cymraeg

Response from: Welsh Language Commissioner



Communities, Equality and Local Government Committee
National Assembly for Wales
Pierhead Street
Cardiff
CF99 1NA

29/10/2015

Dear Sir/Madam

Inquiry into the BBC Charter Review

Here is a summary of the Welsh Language Commissioner's comments in response to the Committee's call for evidence: Inquiry into the BBC Charter Review.

- **The Welsh language is an integral part of the culture of the United Kingdom and it is vital to the language that its presence on various public broadcasting platforms in Britain continues and increases.**
- **The wide range of quality Welsh-medium content provided by the BBC and S4C is essential for the Welsh language to thrive in the future.**
- **The BBC and S4C Welsh-medium broadcasting service makes a valuable contribution to the economy of Wales and the UK.**
- **Further efficiency savings could have an effect on the contribution made by the BBC Trust towards the radio and on-line Welsh medium content, as well as on the television output provided by the BBC for S4C.**
- **Considering the disproportionate cuts that have been imposed on S4C to date, as well as the extent of efficiency savings already implemented by the channel, it is questionable how fair and appropriate is it for it to shoulder any further cuts.**

Comisiynydd y Gymraeg
Siambrau'r Farchnad
5-7 Heol Eglwys Fair
Caerdydd CF10 1AT

0845 6033 221
post@comisiynyddygybraeg.org
Croesewir gohebiaeth yn y Gymraeg a'r Saesneg

comisiynyddygybraeg.org

Welsh Language Commissioner
Market Chambers
5-7 St Mary Street
Cardiff CF10 1AT

0845 6033 221
post@welshlanguagecommissioner.org
Correspondence welcomed in Welsh and English

welshlanguagecommissioner.org



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- Considering the very high proportion of the S4C budget spent on its output, we believe that any further cuts or efficiency savings to S4C could endanger the future of the channel and its ability to continue to support and promote the Welsh language through production and provision of quality and competitive content.
- As the only Welsh-medium public television broadcaster in Britain and the only Welsh language television channel in the world, it is vital that S4C continues to serve the Welsh-speaking audience with financial security and adequate resources to achieve its purpose.
- It is also noted that the UK Government's Secretary of State for Culture, the Media and Sport has a statutory duty to ensure adequate funding for S4C.
- It is essential that no additional efficiency savings endanger the ability of S4C and the BBC to innovate and modernise their services in a way that facilitates audience access to Welsh medium content.
- We welcome the independent review of how the BBC is governed and regulated by Sir David Clementi. We hope that the review will give due attention to the aspects of the BBC governance relevant to Welsh medium broadcasting, in order to ensure representation, equality and fairness for Welsh medium audience.

Introduction

The Welsh Language Commissioner welcomes the opportunity to comment on the inquiry. The principal aim of the Welsh Language Commissioner in the exercise of her functions is to promote and facilitate the use of Welsh. In so doing, the Commissioner will try to increase the use of Welsh in the provision of services, and through other opportunities. The Commissioner will also address the official status of the Welsh language in Wales and the statutory duties to use Welsh through the imposition of standards.

Two principles underpin the work of the Commissioner namely

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

One of the Commissioner's strategic objectives is to influence the consideration given to the Welsh language in policy developments. This is done by providing comments in



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accordance with this remit and to act as an independent advocate on behalf of Welsh speakers in Wales. This approach is employed to avoid any potential compromise of the Commissioner's regulatory functions and should the Commissioner wish to conduct a formal review of individual bodies' performance in accordance with the provisions of the Measure.

Accordingly, comments are submitted below in relation to the remit of the inquiry.

Importance of Welsh language broadcasting

Broadcasting plays a vital role in promoting regional and minority languages worldwide and specifically in Wales. In the European context, the importance of broadcasting is recognized in maintaining and promoting use of minority languages within Article 11 of the European Charter for Regional or Minority Languages¹. This is also reflected in the 'Oslo recommendations on the rights of national minority languages²' which suggest 4 specific recommendations in relation to the media and broadcasting in minority languages. Those recommendations highlight the importance of ensuring that the speakers of minority languages have access to broadcasting services that meet their linguistic needs, and how vital that is to the viability of minority languages.

On the British level, one of the purposes of a public broadcasting service is to meet requirements and satisfy audiences' interests³. According to the Ofcom guidelines, public broadcasters are expected to achieve the purpose of reflecting the cultural identity of the UK:

'... To reflect and strengthen our cultural identity through original programming at UK, national and regional level'⁴

In accordance with this, it can be taken that one of the purposes of a public broadcasting service in Wales is to meet requirements and satisfy the interests of the substantial proportion of the audience that can speak Welsh.

The Welsh language is an integral part of the culture of the United Kingdom and it is vital to the language that its presence on various public broadcasting platforms in Britain continues and increases.

Importance of Welsh-medium broadcasting service by S4C and the BBC

¹ <http://conventions.coe.int/Treaty/en/Treaties/Html/148.htm>

² <http://www.unesco.org/most/ln2pol7.htm>

³ Section 264(4)(c) Communications Act 2003

⁴ http://stakeholders.ofcom.org.uk/binaries/broadcast/reviews-investigations/psb-review/psb2015/PSB_Annual_Report_summary.pdf



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The BBC and S4C provide a wide range of Welsh-medium content on television, radio and on-line.

S4C is the only Welsh medium public television broadcaster in Britain and the only Welsh language television channel in the world. S4C was watched by 8.4 million people across the United Kingdom in 2014/2015 (an increase of 1.9 million compared to 2013/2014). According to S4C's image tracking survey, viewers are of the opinion that the channel has a positive effect on the development of the Welsh language and people's awareness of Welsh culture. 97% of the viewers who can speak Welsh think that S4C as a channel is important to the Welsh language and that it should continue. 81% also feels that the channel makes the Welsh language seem more modern and relevant.

Based on the Operating Agreement between the S4C Authority and the BBC Trust, BBC Cymru Wales produces around ten hours per week of television programmes for S4C, including *Newyddion 9*, the drama *Pobol y Cwm* and sports programmes such as *Ciwb Rygbi (Pro12)*. All these programmes are watched by approximately 131,000 per week.

The BBC's influence on the use of the Welsh language extends beyond the content that is available on television. According to the latest figures 119,000 people have listened to Radio Cymru every week in 2014/2015.

BBC Cymru Fyw was launched in May 2014, namely a new on-line Welsh language service and the BBC's first Welsh language app. Since last year S4C is also available as a full channel on BBC iPlayer. Across all on-line content, the service was used in 2014/15 by 89,000 individual browsers per week.

The key role of S4C and BBC Cymru in linguistic planning in Wales is reflected in the Welsh Government's Welsh Language Strategy 2012-17 'A Living Language: a Language for Living':

*'Public service broadcasters in Wales, including BBC Cymru Wales, S4C and ITV Wales, recently as programmes producer, have played an important part in the work of ensuring that the Welsh language continues to flourish.... The variety and standard of Welsh language programmes on S4C and BBC Radio Cymru help to ensure that the Welsh language remains a modern language and part of everyday life in Wales.'*⁵

The wide range of quality Welsh-medium content provided by the BBC and S4C is essential for the Welsh language to thrive in the future.

The BBC and S4C make a substantial contribution to the economy of Britain and specifically to the economy of Wales.

⁵ A living language: a language for living Welsh Language Strategy 2012-17, page 47-48



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It is estimated that the BBC's direct investment in creative industries in Britain in 2013/14 was equivalent to £2.2 billion. In terms of Welsh medium services in 2014/15, £12.8 million was spent on the cost of creating Radio Cymru programmes and £24.5 million on the costs of creating the statutory output for S4C, excluding overheads, distribution costs and others.⁶

In 2014/15 S4C invested £83 million in the economy of Wales and the UK and according to the latest research commissioned by S4C, every £1 of that investment more than doubles in its value to the economy. If so it is estimated that S4C contributed approximately £170 million to the Welsh and UK economy in 2014/15.

The economic influence of S4C includes the creation of new jobs, helping independent companies to grow and supporting supply chains in areas across Wales. According to the S4C annual report in 2014/15, the channel worked with 66 independent production companies to provide the content that it broadcast.

The BBC and S4C Welsh-medium broadcasting service makes a valuable contribution to the economy of Wales and the UK.

The future of Welsh medium provision by S4C and the BBC

The BBC

As well as funding the BBC's Welsh-medium content on radio and on-line, the BBC also contributes around ten hours of television programmes per week for S4C; the BBC spent £19.4 million on the production costs of this output during 2013/2014. There is also close co-operation between the two organizations on joint-production of the second series of the drama *Y Gwyll*, and joint-location of aspects of S4C's technical and administrative work at the BBC's new site in Cardiff city centre.

According to the BBC annual report, in 2014/2015 the Trust has realised efficiency savings equivalent to £484 million, and it is expected that it meets the target of £700 million per annum by the end of 2016/2017⁷.

Further efficiency savings could have an effect on the contribution made by the BBC Trust towards the radio and on-line Welsh medium content, as well as on the television output provided by the BBC for S4C

S4C

In October 2010, following the Comprehensive Spending Review, the Secretary of State wrote to S4C confirming a cut of 24.4% to S4C funding over the 4 years from the

⁶ <http://downloads.bbc.co.uk/annualreport/pdf/2014-15/bbc-annualreport-201415.pdf> page 139

⁷ <http://downloads.bbc.co.uk/annualreport/pdf/2014-15/bbc-annualreport-201415.pdf>



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spending review period⁸. Since then, S4C has seen continuous cuts to its Public Service Fund income:

- 2010: £101.647million
- 2011: £90.000million
- 2012: £83.000million
- 2013/2014: £100.609million (over 15 months)
- 2015: £82.787million (between the Licence Fee contribution and income from DCMS)

Since April 2013 the BBC Trust has been responsible for providing around 90% of S4C's budget from the Licence Fee. The total of this contribution has fallen every year, and a further reduction is foreseen by 2017:

- 2014-15 £76 million
- 2015-16 £75.25 million
- 2016-17 £74.5million

According to the annual report by S4C, since 2011 the channel has realised over £12.5million in efficiency savings⁹. S4C estimated that the channel's budget has received a cut that is equivalent to 36% in real terms over the last four years. In comparison, the comparative cut to the BBC budget is estimated at between 20%¹⁰ and 26%.¹¹

Despite these cuts, the UK Government Secretary of State for Culture, Media and Sport stated in July 2015 that: *'S4C will be expected to find similar savings to those in the BBC.'*¹²

It was further stated in a recent briefing note by the House of Lords Library *'...The BBC's grant to S4C may be reduced by an equivalent percentage reduction in funding to the percentage reduction made to BBC funding over the period 2018/19–2020/2. It will be up to the Government to decide how to make up the shortfall.'*¹³

Considering the disproportionate cuts that have been imposed on S4C to date, as well as the extent of efficiency savings already implemented by the channel, it is questionable how fair and appropriate is it for it to shoulder any further cuts.

S4C's expenditure on commissioned programmes is equivalent to 80% of the channel's entire spend (2014/2015). Approximately 16% of the budget is spent on content support, while S4C overheads amount to about 4% of its expenditure.

⁸ <http://www.s4c.cymru/abouts4c/annualreport/acrobats/s4c-annual-report-2010.pdf>

⁹ <http://www.s4c.cymru/abouts4c/annualreport/acrobats/s4c-annual-report-2015.pdf> tud 54 - 55

¹⁰ <http://www.parliament.uk/documents/lords-committees/communications/BBCgovernance/BBCGRallev.pdf> : 2011

¹¹ <http://www.publications.parliament.uk/pa/cm201415/cmselect/cmcomeds/315/31509.htm#n317> :2015

¹² <http://www.theyworkforyou.com/debates/?id=2015-07-16b.1120.0>

¹³ House of Lords Library Note: 'BBC: Future Financing and Independence' LLN 2015/026, 3 September 2015



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Considering the very high proportion of the S4C budget spent on its output, we believe that any further cuts or efficiency savings to S4C could endanger the future of the channel and its ability to continue to support and promote the Welsh language through production and provision of quality and competitive content.

The Green Paper 'BBC Charter Review Public Consultation' by DCMS states that the budget of S4C was protected in the previous Charter period. However, as outlined above there has been a very substantial reduction in the channel's budget since 2010, and the threat of further cuts endangers its ability to continue to provide quality content and service Welsh-medium audience.

In addition, the channel is facing continuous financial uncertainty, since its long term budget is dependent on the conclusions of the UK Government Comprehensive Spending Review this November, as well as on the results of the BBC Charter review process to be concluded next year. Such financial uncertainty would present challenges for any organisation, but it is particularly difficult for S4C given the disproportionate cuts already applied to the channel's budget.

As the only Welsh-medium public television broadcaster in Britain and the only Welsh language television channel in the world, it is vital that S4C continues to serve the Welsh-speaking audience with financial security and adequate resources to achieve its purpose.

It is also noted that the UK Government's Secretary of State for Culture, the Media and Sport has a statutory duty to ensure adequate funding for S4C.

Modernising

The recent dynamic changes to audience viewing patterns and requirements are transforming the broadcasting landscape in the United Kingdom. It is increasingly more challenging for broadcasters to provide quality and competitive content to diverse audiences and across diverse platforms.

We welcome therefore the huge growth in the use of the Welsh-medium content on-line. It was noted above that the launch of S4C on the BBC iPlayer has contributed to striking increase in the number of individual Welsh-medium content browsers per week. In the period between March 2014 and March 2015, the number of viewing sessions of S4C on iPlayer raised from 11,000 to 474,000; in conjunction with the content delivered via S4C Online service, this figure contributes to the overall increase in viewing sessions of S4C content by 175% in the same period¹⁴. We also welcome the launch of new digital transmitters in Wales in 2014, as well as the BBC's commitment to broaden the reach of DAB radio for Radio Cymru and Radio Wales to 86% by mid-2016¹⁵.

¹⁴ S4C: Adroddiad Blynyddol a Datganiad Ariannol ar gyfer y cyfnod 12 mis hyd at 31 Mawrth 2015

¹⁵ BBC Cymru Management Team Review 2014/15, page 11



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The two developments outlined above exemplify an affirmative and purposeful action to increase the reach of Welsh medium content and attract new Welsh language users. Although the changes to the broadcasting landscape are challenging, public broadcasters should not respond by restricting the service - rather, there is a need to innovate in order to meet the needs of modern Welsh audiences.

It is essential that no additional efficiency savings endanger the ability of S4C and the BBC to innovate and modernise their services in a way that facilitates audience access to Welsh medium content.

The BBC's current and future funding, governance and accountability arrangements as they relate to Wales

We welcome the independent review of how the BBC is governed and regulated by Sir David Clementi. We hope that the review will give due attention to the aspects of the BBC governance relevant to Welsh medium broadcasting, in order to ensure representation, equality and fairness for Welsh medium audience.

Conclusion

Considering my comments above, I ask you to pay due and specific regard as part of this investigation to the importance of Welsh medium broadcasting and the implications of any further cuts for S4C, Welsh-medium provision by the BBC, and the valuable service supplied by both to the Welsh speaking audiences.

Yours truly,

Meri Huws
Welsh Language Commissioner