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## National Assembly for Wales: Communities, Equality and Local Government Committee

Inquiry into the future outlook for the Media in Wales

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Arts Council of Wales Submission

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## Imagine...

1. Imagine Wales. And when you've done that – pictured it, heard it, enjoyed it, read about it, celebrated it – try to think of our country without song, the spoken word on stage and screen, without poetry and novels, and dance and sculptures and ceramics and paintings and images, and all of the living traditions that are making our contemporary culture so potentially dynamic. In raw fact, as well as in our imagination, there's no human Wales without Art, just as there's no Heritage to pass on generation by generation without Creativity. Much the same could be said about our Media.

## The Arts Council of Wales and the Media

2. The Arts Council of Wales is the country's funding and development agency for the arts. We are a Welsh Government Sponsored Body and a charitably constituted organisation. We also have a relationship with the UK Government's Department for Culture, Media and Sport because we distribute funding from the National Lottery.
3. Our relationship with the Media in Wales has many facets:
  - as a distributor of public funds our activities are often the focus of media scrutiny
  - as a campaigning charity we try to persuade the media to do more to promote the profile of the arts in Wales
  - as an investor of funds into the cultural sector we are contributing to the development of the wider creative industries in Wales (of which the media are a key part)

However, we are also concerned with wider cultural issues – creativity, identity and diversity – fertile territory within which the media in Wales operate.

## The impact of new technology on the media in Wales

4. For many years the different strands of the media were separate: newspapers, magazines and books, broadcast TV and radio, video and film, and recorded music. This has changed beyond recognition with the development of the internet and other digital methods of distribution. Digital connectivity brings access – provided you are connected – to virtually any type of content. Film, music, games, books and news journalism can all be viewed from the comfort of your mobile phone.

5. Of course not all areas of Wales can benefit from the same levels of digital connectivity. For example, there is patchy access to internet broadband across Wales. BBC Radio Wales does not have full FM coverage, nor do Radio Wales and Radio Cymru have full national DAB coverage. This immediately creates inequalities in some areas across Wales.
6. An overarching priority must be to ensure that the benefits of digital technology are available to all. We therefore endorse the Welsh Government's ambition to develop universally accessible, high-speed, fixed and mobile networks.
7. Traditional media companies are facing competitive pressure from new technological platforms. As different types of media converge, content is being re-packaged across different media. For example, computer games and films are increasingly using the same content in different ways as producers seek to maximise the commercial potential of their Intellectual Property. As part of broader changes in the media, Convergence is having a key impact on the business models – and revenue streams – of even the most established media companies.

### Intellectual property and copyright

8. The rapid evolution of technology requires an equally rapid re-think of some of the legal framework governing rights, royalties and the protection of copyright. This is an issue considered in some detail by Prof. Ian Hargreaves as part of his review for the UK Government of the Intellectual Property (IP). In his report he wrote:

“Could it be true that laws designed more than three centuries ago with the express purpose of creating economic incentives for innovation by protecting creators’ rights are today obstructing innovation and economic growth?”

The short answer is: yes. We have found that the UK’s intellectual property framework, especially with regard to copyright, is falling behind what is needed. Copyright, once the exclusive concern of authors and their publishers, is today preventing medical researchers studying data and text in pursuit of new treatments. Copying has become basic to numerous industrial processes, as well as to a burgeoning service economy based upon the internet. The UK cannot afford to let a legal framework designed around artists impede vigorous participation in these emerging business sectors.

This does not mean, however, that we must put our hugely important creative industries at risk. Indeed, these businesses too need change, in the form of more open, contestable and effective global markets in digital content and a setting in which enforcement of copyright becomes effective once more.”

We would endorse Prof. Hargreaves’ analysis.

9. Prof. Hargreaves also notes gaps in knowledge among Small to Medium Enterprises about IP, and indeed a lack of easy, affordable access to IP services. The capacity of young and emergent companies – the sort of business that Wales needs to encourage – need this assistance if they are to grow their businesses. These are issues that we feel the Welsh Government should consider.

### Increased choice

10. The last decade has seen unprecedented growth in the number of digital channels and the proliferation of online content. And whether we like it or not, we’re becoming increasingly in thrall to technology. It’s getting smaller, cheaper, more powerful, pervasive and personal. It’s also becoming more interactive, and it’s changing the way that we ‘consume’ content.
11. Thanks to the web, we’ve become accustomed to being able to get whatever we want, whenever we want it, delivered direct to our doorstep or our mobile phone. We can shop at 8 in the evening, watch a movie at 3 in the morning, check the news headlines while we’re on the move. So it’s essential, if they’re to thrive in this competitive market-place, that media businesses in Wales are able to offer the kind of convenience, flexibility and choice that people now have in other aspects of their lives.
12. The internet is no longer just a digital notice-board, it’s a social space. We’ve moved from communicating through e-mail to embrace My Space, Facebook and Twitter. Technology is increasingly making it possible to create content and engage with it in new ways – a kind of ‘flat screen mediated’ culture. This presents both opportunities and challenges for content producers. The expectations of a generation that has grown up in a digital world are very different from those that preceded it. Low-cost technology is offering new ways for the rapid exchange of views, ideas and content as well as new business models.

## The ethos of Public Service Broadcasting

13. Public Sector Broadcasters (PSBs) – especially the BBC – occupy a special place in the public's affections. The quality, range and diversity of the UK's media are often cited as the envy of the world. But the mass media can also have a negative impact – homogenising culture, 'dumbing down' and on occasions allowing a small number of loud and strident voices to have disproportionate influence. A strong, vigorous democracy depends on a diversity of voices to reflect, challenge and debate the issues and concerns of our times. So it's the mass media's ability to reflect, celebrate and scrutinise society and its culture that's perhaps the quality that most needs to be protected.
14. When Raymond Williams famously said in 1958 "Culture is Ordinary", he immediately added "and that is where we must start." His intention remains exemplary: that there's nothing mysterious or exclusive about a whole society's need to share and participate in cultural achievements. Equally, societies that progress rather than wither on the bough eventually re-seed, re-direct and grow anew.
15. An informed, engaged and 'rooted' media – with a commitment to quality – will help these processes. The media can help us to understand difference. But they also help us to explore and articulate our common humanity, our place in the world. They help us to express what's distinctive and singular, but also what unites and binds us together. Representation through the media of Wales's culture and identity is fundamental to this and must be a key concern for Wales public sector broadcasters.

## Welsh language media

16. We're a bi-lingual nation – legally, socially, culturally, and as individuals and communities. Nothing makes Wales more distinctive than the Welsh Language. The language provides the means to understand and enjoy an extraordinarily rich literature and culture. Creativity thrives on this and is a key component in continuing the Welsh language's vital role at the heart of Welsh life.
17. The media in Wales must defend and promote vigorously the right of people to explore their own culture, their own creativity through the language of their choice. In an increasingly globalised world, we must see the Welsh language, alongside English, as a basic civic attribute as well as an inherited culture. If it's to flourish and grow, the Welsh language and culture will themselves have to offer the same levels of experimentation and responsiveness to global trends as is more widely seen through English language media.

18. The vitality and originality of the arts in Wales depends on the fresh flow of new ideas – new thinking that’s conceived, developed and shared through the medium of Welsh. This makes it essential that we have strong, confident Welsh language broadcasters (in TV and Radio), publishers and film makers who are able to reflect the full diversity of contemporary Welsh society.

## The BBC

19. The BBC’s importance to the cultural life of Wales is self-evident. Its contribution extends beyond its broadcast and online presence:
- the BBC’s partnerships with Arts Council funded national companies (such as National Theatre Wales, Welsh National Opera and the BBC National Orchestra of Wales) promote a distinctive and confident sense of cultural identity through the arts
  - the development of the Roath Lock production centre has the potential to create a ‘critical mass’ of activity that could, in time, underpin the development of the wider media economy in Wales
  - the BBC’s commitment to the development of skills is seen through partnerships with Higher Education in Wales and projects such as *It’s my Shout* that identify and new talent behind and in front of the camera
20. At a time when the BBC is facing increasing budget pressures it will be vital to ensure that these important benefits for Wales are not lost. In responding to the *Delivering Quality First* BBC Wales has identified amongst its six priorities for the future:
- developing Wales’ reputation as a world class centre of drama, factual and music production
  - supporting contemporary culture and music

We strongly endorse these priorities.

21. We look forward to hearing from the BBC in due course how it intends to monitor and report on its progress. We are also interested to see how these priorities compare across the other UK nations. For example, we note that BBC Radio Scotland is obliged to deliver 200 hours of arts coverage a year, an obligation that’s not required of other nations’ radio stations. Recent research published by the BBC Trust confirmed that BBC Radio’s support of the Welsh language and Welsh culture, especially Welsh language music, are highly regarded by its

audience. A similar commitment to 200 hours of arts coverage would transform beyond recognition opportunities to promote and enjoy cultural activity from Wales.

## S4C

22. It is not for us to comment on the funding of S4C or the case for a devolution to Wales of responsibilities for broadcasting. These are matters that are more properly being debated through the democratic channels of Government. However, we hope that whatever the final governance arrangements, appropriate mechanisms for securing a distinctive editorial 'voice' for S4C can be guaranteed.

23. Regardless of its governance arrangements, S4C is self-evidently in a unique position, as a public service broadcaster, to promote Welsh language culture and the use of Welsh language in new media.

24. We note that a number of suggestions have been advanced for creative, operational and financial synergies between the BBC and S4C. This seems a sensible outcome to aim for, although a true partnership will be challenging given the very different scales of the two organisations. However, cuts already announced to S4C's budget represent a very large reduction in cultural expenditure in Wales. Mitigating this loss will be a significant challenge on its own. And the danger is that we will hobble the capacity of the media in Wales to reflect fully its culture and identity in an equal and accessible way (regardless of the language of choice).

25. We're aware that discussions around the development of the BBC/S4C partnership have floated the possibility of the two organisations co-locating at a single media centre, possibly including ITV. The viability of such an arrangement will be for others to assess. But at a time when significant investment will almost certainly be needed to develop broadcasters' technological infrastructure, this would seem to offer many potential benefits.

## ITV

26. Channel 3 licences expire in 2014. This could potentially have an impact on the media in Wales. Ofcom has put forward a number of options for the award of future licences. The choice of option is obviously a matter for the UK government. However, we believe that it's important to ensure that it will be important to ensure appropriate competition with the BBC and BSkyB.

27. Whatever the new arrangements, they should provide sufficient stability to encourage innovation, quality and diversity and to make more likely the investment needed to deliver strong and distinctive PSB content. If this can be achieved, then the new arrangements are likely to deliver cultural and economic benefits.

### The appropriate point of intervention for public investment in the creative industries

28. The creative industries – of which the media are a key component – are a vital engine for Wales’ economy. They contribute directly in terms of jobs and the generation of wealth through the creation, distribution and retail of goods and services.

29. Given the scale and complexity of the creative industries, the appropriate point of public sector intervention isn’t always clear. We certainly shouldn’t be spending public money where it’s not needed, where the market can sustain an activity without compromising its creative integrity. However, if we’re to help retain talent and keep intellectual capital in Wales, we need better ways of:

- organising public procurement
- developing workspace and facilities
- developing new workforce skills
- helping micro-businesses’ ability to ‘scale up’ work for larger markets
- maximising Intellectual Property
- accessing working capital to exploit creative opportunities

These are all areas where careful targeted Government funding and support could have real benefit.

### The Hargreaves Review: The Heart of Digital Wales

30. The Welsh Government’s Creative Industries Panel would be best placed to advise on the implementation of Prof. Hargreaves’ recommendations.

31. In our original evidence to Prof. Hargreaves we tried to emphasise that the creative industries are a vital engine for Wales’ economy. They contribute directly in terms of job and the generation of wealth through the creation, distribution and retail of goods and services. The dominant global companies of the past – especially in Wales – used to be concerned with industry and manufacturing. As we know, the key corporations of the future will be increasingly in the fields of communications, information, entertainment, science and technology. These require high degrees of creative imagination and entrepreneurial vision – qualities that the arts are ideally placed to nurture and develop.



32. We continue to believe that any new strategy for the development of the media in Wales should recognise the significant potential within the publicly funded arts sector. It should target and be open to arts organisations and producers of arts content so that the public can benefit from an expansion of high quality cultural content.
33. Such a strategy should, in our view, seek to achieve the following broad objectives:
- **to capture the creative potential of the media to stimulate, inspire and enhance people’s lives** – the mass media are powerful. They can help us to understand and appreciate new dimensions of expression or experience, enriching our quality of life.
  - **to stimulate wider consumer choice** – it’s important that our media are diverse and reflective and are not condemned to appeal to the lowest common denominator
  - **to widen access and develop new audiences** – we need to ensure that the widest cross-section of people in Wales can benefit from the digital revolution
  - **to bring the culture of Wales to the world, and the world to Wales** – we want to see a profile for Wales that promotes our nation as a vibrant and creative society. Creative activity doesn’t only make Wales attractive and contemporary to ourselves, it makes us distinctive and desirable in the eyes of others. Content produced in and of Wales – and achieved at the very highest standard – is the best promotion of the culture of today’s Wales
  - **to nurture and grow creative talent** – all enlightened governments invest in the creative talents of their citizens. It’s the sign of an ambitious and confident nation. Today’s young ‘creative’, is likely to be equally comfortable working across a wide range of creative disciplines, moving seamlessly between the subsidised and the commercial. They’ll often be the trail-blazers, the pioneers, the new entrepreneurs who’ll create jobs and investment for others
  - **to support indigenous production** – if the media in Wales is to thrive, then encouraging the sustainability of local companies is essential. There need to be mechanisms in place that help nascent development to graft on and take root. The opportunities of the digital rather than analogue age are significant. And rather than defending the *status quo*, public policy should encourage Welsh ‘content’ of the highest quality, created by inspired, incentivised Welsh talent with a stake in their income-generating intellectual property

- **to encourage innovation** – public funding provides the security to innovate and take risks – new challenges, new opportunities. The traditions that are now the cornerstones of our cultural heritage were new and challenging in their time. Much of this work still has a relevance that resonates today. But work that’s of its time has a particular immediacy. The contemporary, the living and the dangerously unpredictable is what drives culture and society forward
- **to attract inward investment** – public investment in the creative industries, intelligently applied, has been shown to generate direct and indirect spend, employment, and enhanced tourism

### Concluding comments

34. We’re proud of the quality of the arts in Wales. Whether it’s National Theatre Wales’s extraordinary *Passion* with Michael Sheen in Port Talbot or Welsh National Opera’s award winning *Die Meistersinger* with Bryn Terfel, the arts in Wales are often rooted in their distinctive sense of Wales and its culture. Artists and creative individuals reflect, question and shape the way that culture and society develop. It is, after all, the artist or creator, addressing the world in its sorrows and absurdities, in its changes and its movements, who reinvents cultural expression appropriate for the times.
35. The robustness and vibrancy of our future culture depends on such ambition. Because if we push beyond our comfort zones, with courage and curiosity, we might just bring into sharper focus dimensions of expression and understanding that are different, challenging, and perhaps more interesting. The Arts Council has always said that artists, arts organisations, creative entrepreneurs need a supportive environment if they’re to prosper – an environment which:
- identifies and nurtures creative talent, wherever it’s found in Wales, to its full potential
  - supports and celebrates imagination, innovation and ambition
  - nurtures creativity through the medium of Welsh and English
  - enables artists to develop a professional career in Wales, and organisations to exploit new markets
  - offers a range of arts experiences for audiences to enjoy and take part
  - develops the creative traditions of Wales and reinterprets them with contemporary relevance
  - is international in outlook

We suggest that this is a prescription that might equally be applied to the support and development of the Media in Wales.