



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Cofnod y Trafodion The Record of Proceedings

[Y Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu](#)

[The Culture, Welsh Language and
Communications Committee](#)

20/09/2017

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd. Lle y mae cyfranwyr wedi darparu cywiriadau i'w tystiolaeth, nodir y rheini yn y trawsgrifiad.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included. Where contributors have supplied corrections to their evidence, these are noted in the transcript.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Hannah Blythyn Bywgraffiad Biography	Llafur Labour
Dawn Bowden Bywgraffiad Biography	Llafur Labour
Suzy Davies Bywgraffiad Biography	Ceidwadwyr Cymreig Welsh Conservatives
Neil Hamilton Bywgraffiad Biography	UKIP Cymru UKIP Wales
Bethan Jenkins Bywgraffiad Biography	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Dai Lloyd Bywgraffiad Biography	Plaid Cymru The Party of Wales
Jeremy Miles Bywgraffiad Biography	Llafur Labour
Lee Waters Bywgraffiad Biography	Llafur Labour

Eraill yn bresennol
Others in attendance

Yr Athro / Professor Damian Walford Davies	Cadeirydd, Llenyddiaeth Cymru Chair, Literature Wales
Douglas McCabe	Prif Swyddog Gweithredol a Chyfarwyddwr Cyhoeddi a Thechnoleg ar gyfer Enders Analysis Chief Executive Officer and Director of Publishing and Tech for Enders Analysis
Helgard Krause	Prif Weithredwr, Cyngor Llyfrau Cymru Chief Executive of the Welsh Books Council

Lleucu Siencyn	Prif Weithredwr, Llenyddiaeth Cymru Chief Executive, Literature Wales
Yr Athro / Professor M. Wynn Thomas	Cadeirydd, Cyngor Llyfrau Cymru Chairman of the Welsh Books Council

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Steve George	Clerc Clerk
Lowri Harries	Dirprwy Glerc Deputy Clerk
Manon Huws	Cynghorydd Cyfreithiol Legal Adviser
Robin Wilkinson	Y Gwasanaeth Ymchwil Research Service

Dechreuodd y cyfarfod am 09:31.
The meeting began at 09:31.

Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau
Introductions, Apologies, Substitutions and Declarations of Interest

[1] **Bethan Jenkins:** Diolch, a **Bethan Jenkins:** Thank you very much, and welcome back to the Assembly following the—I shouldn't say 'holiday', of course, but your work in your region or constituency over the summer.

[2] Rydym ni'n symud ymlaen yn Let's move on immediately to item 1. syth i eitem 1. Os bydd larwm tân, If there is a fire alarm, please leave the room following the directions of the ushers and staff, but we are not expecting a drill today. As the

ond ni ddisgwylir prawf heddiw. Gan fod y dechnoleg yn yr ystafell bwyllgora newydd yn wahanol i'r Senedd, mae'n rhaid i bawb ddiffodd eu ffonau symudol neu eu newid i *flight mode*. Mae Cynulliad Cenedlaethol Cymru yn gweithredu'n ddwyieithog, ac mae clustffonau ar gael i glywed y cyfieithu ar y pryd ac i addasu'r sain ar gyfer pobl sy'n drwm eu clyw. Mae'r cyfieithu ar y pryd ar gael ar sianel 1 a gellir chwyddo'r sain ar sianel 0. Nid oes angen cyffwrdd y botymau ar y microffonau, gan y gall hwn amharu ar y system. Gofalwch fod y golau coch i'w weld cyn dechrau siarad. A oes gan unrhyw Aelod rywbeth i'w ddatgan yma heddiw? Nid ydym ni wedi cael ymddiheuriadau ar gyfer y sesiwn cyfan, ond mae Jeremy yn mynd i fod bach yn hwyr yma heddiw. Mae e wedi e-bostio i ddweud.

technology in the new committee rooms is different to that in the Senedd, please switch off your mobile phones or put them onto flight mode. The Assembly operates bilingually and there are headphones available to hear the interpretation and also to adjust the volume. The interpretation is on channel 1 and you can change the volume on 0. Do not touch the buttons on the microphones because that can interfere with the audio system, and please make sure the red light is on before you begin to speak. Does anyone have anything to declare this morning? We haven't had any apologies for the full session, but Jeremy's going to be a little late today. He has e-mailed me to let me know.

09:32

Newyddiaduraeth Newyddion yng Nghymru: Sesiwn Dytsiolaeth 12 News Journalism in Wales: Evidence Session 12

[3] **Bethan Jenkins:** Felly, rydym ni'n symud ymlaen at eitem 2: newyddiaduraeth newyddion yng Nghymru, sesiwn dystiolaeth 12. Rydym ni'n clywed y dystiolaeth yma trwy gyswllt fideo—tystiolaeth fel rhan o ymchwiliad y pwyllgor i newyddiaduraeth newyddion. Rydym ni'n mynd i glywed yn gyntaf gyflwyniad gan y tyst o tua 15–20 munud, ac wedyn gall Aelodau ofyn

Bethan Jenkins: So, we move on now to item 2: news journalism in Wales, evidence session 12. We are hearing this evidence through a video link, and it's evidence as part of the committee's news journalism inquiry. First, we're going to hear a 15 to 20-minute introduction from the witness, and then Members can ask questions, if that's okay with you.

cwestiynau, os yw hynny'n iawn gyda chi.

[4] Croeso, felly, i Douglas McCabe, sef, prif swyddog gweithredol a chyfarwyddwr cyhoeddi a thechnoleg ar gyfer Enders Analysis. Croeso.

Welcome, therefore, to Douglas McCabe, chief executive officer and director of publishing and tech for Enders Analysis. Welcome to you.

[5] Can you hear us okay?

[6] **Mr McCabe:** Thank you very much, Bethan. I can hear you absolutely fine. Can you hear me?

[7] **Bethan Jenkins:** Fab.

[8] **Mr McCabe:** Good.

[9] **Bethan Jenkins:** The first person who is supposed to be asking—

[10] **Mr George:** We've got the presentation.

[11] **Bethan Jenkins:** Oh yes. I just said it, and then I undermined everything that I said earlier.

[12] Diolch am ddod i siarad â ni. Roedd rhai o'n hymchwylwyr ni wedi clywed cyflwyniad gan un o'ch cydweithwyr mewn seminar, ac roedden nhw mor blês gyda'r hyn a oedd yn cael ei roi fel tystiolaeth eu bod nhw eisiau i ni fel pwyllgor glywed yr hyn a oedd gennych chi i'w ddweud. Felly, rydym ni'n cael y cyflwyniad o'n blaen ni nawr, ac rwy'n deall eich bod chi am siarad trwy ran o hynny gyda ni. Felly, drosodd i chi.

Thank you for coming to speak to us today. Some of our researchers heard a presentation from one of your colleagues in a seminar, and they were so impressed with what they'd heard as evidence there, they wanted us as a committee to hear what you have to say. So, we do have the presentation in front of us now, and I understand you'd like to talk through some of that with us. So, over to you, please.

[13] **Mr McCabe:** Thank you very much, Bethan. There are a few slides that we've shared with you, and I trust you all have either copies of that or access

to it on screen or something. I will run through this quite quickly. A lot of it is about context setting, and I do understand you want to get to your questions as quickly as is reasonably possible. But nonetheless I think it's worth going through some of this context setting just so that you can see where we're coming from as we think about the newspaper industry generally and the challenges and, I hope, also opportunities that they face. I will simply shout out page numbers as I'm moving through it, if that works for you.

[14] So, swiftly moving to page 2, this chart shows an overview of newspaper circulation counted on a weekly basis from 2007 to 2015. You can see some evidence here that there is an acceleration in the rate of decline. I should make the obvious point that the newspaper industry has been declining for a long time, not a short time. When I discuss this topic, there's sometimes a misunderstanding that decline is a relatively recent thing. It's not; it's been going on since the 1950s, when newspapers peaked in the UK. But there has been an acceleration, and the acceleration is not just driven by Google and the internet, but specifically by smartphones, and that's an extremely important point to take on board. Why do smartphones make a difference? First of all, it takes up a lot of consumption time, so consumers are spending more and more time accessing content of all sorts of kinds on their smartphone. It's specifically interferes with time that was classic newspaper time—for example, the commute to work or time at home on the sofa in the early evening or at the breakfast table. These are classic times when newspapers traditionally have dominated media consumption and media access, and the smartphone is very much taking over those times of day.

[15] Moving on to page 3, you can see a specific problem here, which is to do with the fact that the overall volumes of the newspaper industry decline are accelerating precisely because the more popular titles are now feeling most of the pain, and this is actually to do with the demographics of smartphone penetration. So, smartphone penetration first hit the relatively upmarket educated audience and therefore the 'quality titles'. I use inverted commas around all these sorts of expressions, but you know what I mean. Those titles' circulation decline accelerated slightly earlier, and now the popular titles—the so-called tabloids—are declining more quickly today.

[16] On to page 4: so, if we've looked at the big national titles, the UK titles, on page 4 we're looking specifically at local and regional titles, generally smaller volume titles, and you see a very, very similar pattern. But

let's look at that pattern in a little bit more detail on page 5. There's a really important point on page 5, which is highlighted, which is that those titles that are aimed at relatively tighter, better-defined communities are actually more resilient as physical newspapers than their counterparts in big towns and cities. I come from Scotland; I live in London. I can assure you that London's local and regional newspaper marketplace is pretty devastated, whereas where I come from in Scotland, there are a number of titles that are holding up reasonably well. It's all relative, but they're holding up reasonably well.

[17] On page 6—. I should have started with an apology: you very kindly introduced this session as an insight about Welsh press, but I fear it's not really an insight about the Welsh press; it is an insight, I hope, about the UK press as a whole. This is the one slide we have that looks specifically at Welsh circulation, or circulation of Welsh titles. Really, the reason for including it is, surprise, surprise, that the trends in Wales are quite literally identical to the trends across the UK as a whole. There is nothing in the data we've looked at—four Welsh titles—that would indicate that there is anything different happening in Wales as there is happening in other parts of the UK.

[18] On page 7—. I am going through this at a fast pace, but I realise we do have to have to get some questions, so I will keep up this pace if that's okay. On page 7, again, just a reminder of the smartphone penetration levels that I mentioned earlier. We think this is the single most important factor. In long-term circulation decline, the most important factor is the decline of retailers, of course, but in near-term acceleration of circulation decline, the most important factor is smartphones. What we highlight on page 7 is the rapid rise—and this chart is almost showing a period of five quarters—of penetration of smartphones among older demographics. As is probably obvious to you, newspaper reading is becoming older and older and older as young demographics drift away from the habits of using print media, and newspapers in particular, but there is a problem, obviously, if older demographics who have been relatively slow to take up smartphones are starting to do so relatively recently. So, there are further issues.

[19] Now, let's look at slightly more subtle details. On page 8, this is a reflection of what is happening in national newspapers. It's quite an important trend for publishers to understand, which is a very significant, very material, I think, shift in reading patterns as a whole. So, daily circulation is declining at quite a significant rate, which is exactly what we've been showing in the first slides. Perhaps surprisingly, Sunday circulation is

declining even more quickly and Saturday circulation—perhaps also surprisingly—is absolutely stable; in fact, curiously, is up slightly over a five-year period.

[20] What is going on here? I think it's also reflected in the way that the magazine industry is working. Consumer magazines in big-selling categories like fashion, women's weeklies and so on, are declining very, very rapidly. The pattern is absolutely similar to newspapers. And one category of magazine that stands apart from that and is very, very different in terms of its demand among consumers, is the news weeklies. So, magazines like *The Economist*, like *Private Eye* and a long tail of others are all very, very stable indeed, and generally actually have circulations that are going up marginally. The same thing appears to be happening in the newspaper world. I think what is happening is that Sundays are being treated as just another day of the week for a lot of households, whereas Saturdays, or Friday evenings and Saturday mornings are now absolutely the times in the week when the print products are thriving, or at least are a lot more resilient.

[21] Let's now move on to the question of advertising, which is obviously a really crucial part of the economy of newspapers. So, on page 9, we begin by highlighting for you that in the newspaper industry, there's been a terrible period of advertising decline and the newspaper industry and newspaper publishers may almost be not aware that, in fact, in the UK as a whole, there's been an advertising boom taking place—huge growth in digital advertising, huge growth in television advertising and relatively resilient advertising in almost every other media, but that is clearly not the case in newspapers. That is how we know for sure, unequivocally, that there is a structural change taking place. And it's not just driven by the circulation decline; it is, of course, partly that, but it is also driven by a change in sentiment and a change in advertising expenditure by both brands themselves—in other words, advertisers themselves—and the middlemen in the industry, the advertising agencies who are shifting more and more spend to digital.

[22] On page 10, the agony of this is illustrated, I think very clearly, by the fact that the national newspaper industry in the UK lost, in 2015, some £150 million of print advertising—that is a phenomenal amount of its overall spend. If you think of the industry being roughly £1 billion, that is a very, very painful decline. What do they gain in terms of digital advertising? Well, almost next to nothing. I mean, almost a negligible amount. So, what we have here is that classic cliché of print pounds turning into digital pennies,

and indeed worse than that.

[23] On page 11, part of the structural shift that I'm highlighting is that all the media spend is now 50 per cent driven by the digital economy. This is a really important point. If you go right back to about 2000, print media, as a whole—that's newspapers, magazines, classified directories; everything in print—was roughly 50 per cent of all advertising spend across the UK as a whole. It is now a much smaller percentage. And on page 12, you can see the problem as clear as day, I'm afraid, which is that you have had, unequivocally, a print-digital substitution. Without doing too much of a kind of marketing one-on-one thing here, I'd quite like to just very quickly explain what we think is going on in plain English, if you like. All advertising is on a spectrum. At the one end, there is activation and classified advertising, at the other end of that spectrum, there's brand and emotional advertising. Roughly speaking, traditionally, 50 per cent of spend, actually slightly more of the emotional brand advertising, 55 per cent of spend overall has been the case. The reality is that print advertising has had a mixture of classified and brand advertising always, and that's always been one of the great tactical benefits of newspapers, in fact.

09:45

[24] But, what is happening is that more and more advertising expenditure is moving to classified, is moving to direct response and advertising. As a result, you have this horrible picture on page 12 where the internet as a whole—Google and Facebook perhaps in particular, but there are lots of other digital advertising media—digital networks, and so on, are taking this money and the money is moving away from print. It is not yet moving away from tv, it is not moving away from radio, it is not moving away from outdoor media; it's moving away specifically from print.

[25] Page 13 illustrates, if you like, the structural challenge, which is that in the old world on the left, print and newspapers in particular were an enormous part of the advertising ecosystem as a whole, and on the right, which is the internet world, newspapers are now, frankly, a trivial part of the advertising ecosystem. This is the fundamental problem, and you may know about a project in London among the London-based national newspapers to consider a joint-venture sales house across their advertising. That project appears to have unravelled and is not going ahead, but you can understand the reason they were investigating it was to establish if, in fact, they could build a single pillar around print to take on giant digital advertising

platforms like Google and Facebook. That certainly was the thinking.

[26] Page 14 illustrates, if you just concentrate really on the right-hand chart, where the growth in digital advertising is coming. I mentioned at the beginning that digital advertising was growing pretty quickly. It is. There are some signs of slowdown, but the single most important factor is that 90 per cent of that growth is going effectively to either Google or Facebook. That means that thousands and thousands and thousands and thousands and thousands of apps and internet sites are chasing the other 10 per cent of growth.

[27] On page 15, I return now to, in a sense, an editorial question, but it's a sort of mixed editorial and advertising point that we're making here, which is that what publishers have tended to do is try and chase scale online. In other words, they've tried to build up as big an audience as possible. The theory was that as they build up this enormous audience, they can draw in more and more advertising. Everything I've told you in the last three or four minutes tells you that isn't going to work. They're a trivial player in this digital advertising ecosystem and so what is emerging, I think, is a fundamentally failed system. It's not necessarily a failure for the most popular titles. Without making brand arguments too much, MailOnline clearly has, whatever else you think of MailOnline, a very effective commercial strategy. The problem is applying that commercial strategy to what I would call quality news and local news, which is clearly a very, very difficult exercise indeed. What this chart on page 15 is illustrating is a very simple point that you might have an enormous amount of traffic or users coming to your news sites, but the simple reality is that the vast, vast, vast amount of time spent on those sites is by a relatively small group of people who really care about what you do. At a certain point, there has to be a philosophical recognition that, surely, that's the audience you need to concentrate on for your news services. It's great to have overall reach—massive numbers that were unachievable in print; that's all terribly exciting—but it's simply not drawing in revenue. And a lot of that concentrates on and focuses on the core readers, as it ever was—it was ever thus. That's exactly what print editors and print publishers always did; they concentrated on the audience who realistically were going to buy their product, and I think we're seeing a return to that now.

[28] We're seeing it on a grand scale on page 16. Mark Thompson, former director general of the BBC, now chief executive across at *The New York Times*, has gone on the record with a very, very clear statement. His strategy

historically was always a dual strategy, partly about getting subscriptions from readers and some newsstand sales, and partly about advertising. He's changed that strategy. He's unequivocally said, 'It is a subscription strategy, it's all about the readers, it's all about the quality of our content and the relationship that we have our subscribers.' He has 2 million of them. Clearly that helps. He added well over 0.5 million of them around the time of the Trump election itself. But you can see that—. He's certainly not arguing that advertising is not important. He's simply saying that it is a tactical add-on to the core strategy. It will be a third of his income or so, probably for the foreseeable future. So he's not saying it's not important; what he is saying is that it's not the strategy, which is in itself a very important step to make, because it's a clear message both internally for journalists—[*Inaudible.*]—message, I think, to the marketplace as a whole.

[29] Page 17: the propensity to pay for news has always been low. I think there are signs that it is improving. The reason for that is partly to do with things like Trump, perhaps partly Brexit. There is a lot of evidence that younger demographics are more willing to pay than older demographics. That is counterintuitive. I think a lot of us assumed—I fell into this trap myself—that, actually, older demographics would be much more likely and happy to pay for news. It turns out that's entirely and completely wrong. Young demographics actually feel engaged in subscriptions, they sense that quality news requires funding and they have to pay for that funding. And don't forget this is a generation that are all subscribing to Netflix, they're subscribing to Spotify. There is a counter to that argument that says all young people expect everything to be free. The evidence is precisely the opposite in practice.

[30] I then included two very brief case studies on page 18. I'll just describe these very, very quickly. This is a French quality news service based in Paris. It has 55 journalists and it generates about €12 million in revenue. It makes a profit, amazingly—€2 million of profit—and it has a circulation or distribution or subscription level, which is probably the most accurate description, of about 130,000 people. Here's the thing: not one cent of advertising is going through this model. It is entirely based on that subscription. I think the future of news, at least on a national and global basis, will be more specialist services, with a relatively, in historic terms, a relatively—[*Inaudible.*]

[31] The *La Presse* case study, which is a French-language newspaper in Montreal in Canada, is a fascinating case study actually. We can provide you

more detail if you're interested. It was a physical newspaper than transitioned. It gave up on print. It didn't just transition to online, it was more specific than that. It transitioned to tabloid and it has been a success story. It has largely transitioned—[*Inaudible.*—a very effective service. We called tabloids finished. Actually there is no evidence at all that tabloids are finished.

[32] I finish off with local—[*Inaudible.*—20 now. I think the positive story is that local publishers have been able to build traffic very significantly over the last seven years or so, which I think is a very impressive sign, although you have to see it in the context of the point I was making earlier about—. Sorry?

[33] **Bethan Jenkins:** I was just saying if you have a few more minutes, and then we'll stop to ask questions based on perhaps the rest of what you have to say, just because we won't have that much time otherwise. Is that okay? So, just carry on for a few minutes and then I'll interject.

[34] **Mr McCabe:** Of course. Completely understood. I'll just race through a couple more key points. So, local news: traffic is up really significantly. On page 21, the desire to find local information is very, very high, so there is a clearly a use case generally among consumers, and it's not just among young consumers, it's also among older consumers, even the very old—excuse the language—consumers over 75. They are still very interested in going online and getting local information.

[35] On page 22, the real challenge for local publishers is not getting traffic in the broadest sense, or the simplest sense, it's actually sustaining time spent with the services, and the simple reality is that publishers have users coming in and out, in and out, in and out on a very staccato basis. They're not immersing their users in their services in the way that Facebook can and other services. Pages 23 and 24 should be thought of together. I'll just describe our simple argument here, which is that—and here is the frightening thing about news—consumers do not sit about thinking, 'The one thing I really wish I had was an online newspaper'. So, I think what's happening here is that publishers have contrived a 'use case'—they've created online newspapers and hoped for the best. Because they are still the best service in terms of being able to provide any kind of content in this area, of course, they get high levels of traffic. But what they have not done is take the time to think through exactly what the right use case, in practice, is for finding information and finding content, whether that's local, national or

global.

[36] I think this is a fundamental problem, actually, for the local papers in particular. Our trivial example on page 24 shows that newspapers are simply not being found in search results. Classic local searches that consumers—. You know, real use cases. Actually, what do users put into Google and what do they search for? Newspapers are not coming back in those search results because, of course, newspapers think of all their content being about news and never about data, and that is a fundamental problem. They need to start thinking about data as content.

[37] Frequency of overall engagement—I've already mentioned, on page 25, so we can skip it. Page 26 is the sheer scale of Facebook and Google, specifically in local advertising expenditure. The thing to note here is that Facebook is now larger than the display market for SMEs in local newspapers. So, 2016 was the milestone when they overtook that expenditure.

[38] Page 27 is the size of the pie in terms of local advertising as a whole. This is where SMEs spend their money, and print is obviously becoming a smaller and smaller part. And I'm done. Pages 28 and 29 are simply illustrations of a final point, which is: one of the main reasons that Facebook and Google—*[Inaudible.]*—for advertisers. In other words, there are no people involved, there are no costs involved in doing this. What they have is the data and what they have is a self-service solution for anyone, down to the local hairdresser: these are the systems that they're using on Facebook and Google. The local hairdresser thinks, 'I don't need an advert; what I need is to put people in my seats on a Monday afternoon when I'm always empty. How do I do that?' Facebook and Google approach it as a marketing question and not an advertising question. That's it.

[39] **Bethan Jenkins:** Grêt. Diolch yn fawr iawn am y cyflwyniad hwnnw a sori bod rhaid inni ruthro trwy'r cyflwyniad rhywfaint. **Bethan Jenkins:** Great. Thank you very much for that presentation and sorry for having to rush through it a little.

[40] Rŷm ni'n mynd i ofyn i'r Aelodau os oes ganddynt gwestiynau ar sail yr hyn sydd wedi cael ei ddweud. Nid oes rheidrwydd i gadw at y cwestiynau o'ch blaen chi. A oes gennych gwestiynau ar sail hynny, o We are going to ask Members now if they do have any questions based on what they've heard. You don't have to stick to the questions that you have in your brief. Do you have any questions, bearing in mind that he is

gofio nad yw'n arbenigo'n bersonol not an expert necessarily on Wales, ar Gymru ond ar y pictiwr ehangach? but on the wider picture? Lee Waters.
Lee Waters.

[41] **Lee Waters:** Thank you very much for that presentation, it was very interesting. I guess my question is: I take your point on the one Welsh slide that you had in that the trend in Wales is identical to the trend across the UK. I guess the question that we're interested in—. Because the impact in Wales is disproportionate because our media is smaller. Our interest is, from a public service point of view: how can we create an informed electorate that can hold a Government to account? So, I take your point about the market trends, but in terms of the market failure and its impact on Welsh civic society, I wonder if you have any thoughts on what the effective role for Government could be to try and plug that gap?

[42] **Mr McCabe:** Thank you for the question, and indeed it's exactly the right question and I completely understand it. Of course, while it might feel more extreme in Wales, trust me, there are lots of people around the whole of the UK that worry in exactly this way. I think, at the end of the day, the real question here is: do you regulate or do you not regulate? Do you intervene in a kind of formal way or do you let the market decide how this works out? Our instincts are always to try and find a halfway house between those two positions, if you like.

[43] I think full-scale intervention is, frankly, always difficult. Surely the point about the press is that it is independent and that it is therefore calling everyone to account, including Government. But, of course, there are lots of things that governments can consider that would both define and support the provision of quality news, locally, regionally and, ultimately, for you as a nation. Those would include, perhaps, things like a review of the tax that's paid by these companies versus options that could be explored. If you look at, for example, what happens in Scandinavian countries, there are a number of tax breaks that are provided there in order to sustain quality news provision, which they very precisely define, and I think that's also quite an important factor. I mentioned at the beginning that we use loose expressions like 'quality news' and 'tabloid news', and all the rest of it. We sort of know what they mean, of course, but I do think it needs to be very precisely defined.

[44] I think another point is: how do you engage with the likes of Google and Facebook to get into this debate? We've seen some very positive signs. Google and Facebook do feel very under pressure on these questions, so the timing is good. You should engage with those organisations. And I think one of the things to force is how they highlight quality news provision on their services. So, there's partly a branding question, there's partly a sort of exercise in visibly, visually how you make it clear to the end user that this is a quality news provision search result or social media entry. But there is also a question about literally how does the algorithm work and how do the search results work. And the really interesting factor here is that we've been speaking to Google on this topic for a number of years, and for all that time, they have effectively put their hands in the air and said, 'The algorithm is the algorithm. You're talking now to a news expert; you're not talking to an engineer, and the engineers look after these questions'. For the first time, in recent months, we have picked up that they are prepared to have that discussion and to have that discussion at an engineering level, not just at a product level. That is a very, very significant shift. I don't know whether that really answers your question, but it gives you a view of how best to approach it, which is through this middle ground, rather than the full-scale intervention.

[45] **Lee Waters:** Can I just do a follow-up? Thank you. So, that's clear on your view on the regulatory approach to this. In terms of softer approaches, you told us about the *La Presse* case study, which is interesting, and I'd like to hear more about that, but are there any other examples you know of at a local level, whether its successful hyperlocals or a different model, where local news can be supported in a more sophisticated or subtle way?

[46] **Mr McCabe:** Again, a very good question, and the sad answer to your question is that, in the UK, we've no particularly effective examples. Local World launched a new title about—goodness, two years ago, I guess it was, in Milton Keynes. I remember that we looked at the blueprint for that approach, and it did look very interesting indeed, because it was effectively setting up a social media service with a spine of quality news provision through the heart of it, which feels intuitively, to me, like a very wise way of approaching this question. However, the execution, ultimately, got diluted, and diluted, and diluted, and I'm afraid that by the time it was live—I think I'm not speaking too much out of school by saying this—actually, it just looks like a lot of their other services.

[47] Probably, the place to look at here is the US. The US is a very, very

different market, so I put lots of caveats around this. The US is a different market just because of the sheer size of the geography and because, of course, it doesn't really have a scale national news service. *The New York Times* is as close as they have to a national newspaper, but the clue there is in the name of that title, right? It's not 'The US Times'; it's *The New York Times*. So, local papers have always had very, very high penetration and have traditionally done very well, but they're struggling, the circulations have collapsed, they've taken people out of newsrooms.

[48] Now, here's the interesting thing: with a smaller audience, they have been able to set up subscription models, and they have thousands, and in some cases tens of thousands, of paying subscribers. Now, I know that doesn't quite answer your question, but it does answer the economic question. It does suggest that it might be possible in certain circumstances, but you have to build a very, very, very compelling case. I think the key thing here is to make sure that consumers are not simply coming to you occasionally, but they're coming and spending time with you, and why would they do that.

[49] Here's the point I've made to a number of publishers here in London but also around the country. If I, living in town x, wherever town x is, feel a real sense of anger that the roundabout at the end of my road has been built without any consultation and frankly it's screwing up the traffic and it's a problem, and I choose to go onto Facebook to start a debate about it, the newspaper industry has lost. And this is a really important factor because it means it's lost the big picture. It means that the local newspaper industry is going to find it difficult to engage with audiences on the really important stuff, about local government and so on and so forth, if they can't even win the roundabout argument. They've got to win those arguments. Do you see what I mean? And if one's instinct is to go to the local paper, because that will have a much bigger—. You know, I need the tools, as social media, to be able to do that on the local paper's site, but I also need to intuitively understand that this editor can help me in a way that Facebook cannot.

[50] **Bethan Jenkins:** Thank you very much, and you've basically nearly rectified a roundabout issue in my area. I think people took to Facebook straight away to talk about that. And we have contacted Facebook and Google, by the way, to try and get them here. Google have said they would give us written evidence, but Facebook, despite the fact that we've used Facebook Live and we all probably use social media—we haven't really had much engagement with them. So, we'll try again.

[51] Do Members have any other questions? I think it's important that we perhaps ask about statutory notices, because some of the people who came in—. Those who were starting up hyperlocals were saying that if some of that money was redirected to them, from Government sources, that they could potentially become more sustainable, but at the moment they don't qualify for that. So, just a brief answer on that and then I'll ask other Members.

[52] **Mr McCabe:** I can give you the one word answer, which is 'yes'. I think that absolutely should be reviewed. I think it comes back to a point I made in my answer to the first question. You have to define, I think, what you recognise as quality news provision, and that can come from anywhere. It can come from a person in their garage or it can come from a large corporate publishing business. But you do need a definition of what the content expectations are at some level. I think once you have that nailed down then I think whatever support revenues and so on are provided is absolutely up for grabs, in my opinion.

[53] **Bethan Jenkins:** A oes Bethan Jenkins: Do Members have cwestiynau gan Aelodau eraill? any other questions?

[54] **Dai Lloyd:** Na, mae fy rhai i Dai Lloyd: No, mine have already wedi cael eu hateb. been answered.

[55] **Bethan Jenkins:** Océ. Rwy'n **Bethan Jenkins:** Okay. I think it's also credu ei bod yn bwysig hefyd gofyn important to ask regarding the fact ynglŷn â'r ffaith bod rhai tystion wedi that some witnesses have said that in dweud bod eu hardaloedd nhw—. Fe their areas—. We had someone from gawsom ni rywun o ardal Port Talbot, the Port Talbot area, from the *Port Talbot Magnet*, yn dweud—yn *Port Talbot Magnet*, who said—following dilyn ymlaen o beth roedd Lee Waters on from something Lee Waters said— yn dweud—bod rhai ardaloedd jest that some areas are just not going to ddim yn mynd i allu ymdopi neu greu be able to cope or create hyperlocal systemau *hyperlocal* heb ryw fath o systems without some sort of help— help—efallai y byddai'n statudol, it may be statutory, it may be efallai y byddai'n fusnes—oherwydd business—because of the local sefyllfaoedd lleol. situation.

[56] Er enghraifft, os oes yna For example, if there are problems broblemau gyda busnesau neu fod with businesses or a local crisis in yna grisis lleol o ran yr economi, mae relation to the economy, that

hynny wedyn yn effeithio ar y refeniw therefore affects the revenue that y maen nhw'n cael fel busnes, ac they receive as a business, and wedyn—gyda Rachel yn yr achos yma, then—with Rachel in this case, she nid oedd modd iddi hi barhau gyda'r wasn't able to continue with the prosiect. Felly, a ydy hyn yn rhywbeth project. So, do you think that this is sydd yn digwydd yn fyd-eang, neu a something that happens across the ydy hyn yn rhywbeth rydych yn credu world, or do you think it's more efallai y byddai'n fwy unigryw i unique to Wales, because of the Gymru, oherwydd efallai lefelau tlodi, levels of poverty, or do you think neu a ydy hynny'n hollol anghywir? that's incorrect?

[57] **Mr McCabe:** I don't think it's unique. It might be more extreme for the reasons that you're giving, but it's certainly not unique. This is a problem not just in the UK as a whole, but around the western world generally, where there is clearly a decline in news provision generally. There's a key question here. About two or three years ago, the BBC defined market failure in local news. Now, we had a slight problem with that because they didn't provide any evidence of actual market failure. What they provided was a sort of anecdotal sense of, 'We're worried that local communities are not receiving enough', and so on and so forth. I think the key question here is to define a market failure, if you see it, in the strictest terms, so: there is a significant problem, it is impossible to run this business or provide services in these communities. And once you have that definition, of course, it's then much easier to engage in those conversations about how such services will be funded from the public purse, and there may be a combination of ways between public and private together.

[58] I think that market failure point has been sort of flippantly used until now, and trust me, I'm not being flippant by saying that. I actually think it's a very important step, because once you've got across that line, then I think you have all sorts of different, other levers that you can pull, because if there is a true market failure in particular communities, then it means you can apply a completely different set of criteria about how these things are funded.

[59] **Bethan Jenkins:** Y cwestiwn **Bethan Jenkins:** The final question I olaf sydd gen i yw: rydych chi'n sôn have is: you've mentioned bod *subscriptions* yn rhywbeth sydd subscriptions as something that is yn tyfu yn America a bod hynny increasing in America and that's oherwydd y canolfannau bach because of the small geographical daearyddol. Gan fod Cymru ynddi ei areas. As Wales itself, of course, is a

hun yn fach yn hynny o beth, o ran small area in relation to the numbers
 niferoedd o bobl, a ydych chi'n credu of people, do you think that a system
 byddai system felly yn gallu gweithio, like that could work, for example, for
 er enghraifft, i'r bobl sy'n medru'r people who speak Welsh or people
 Gymraeg a'r bobl sydd yn mynd i who are going to read things online
 ddarllen ar-lein yn y Gymraeg? Mae'r in Welsh? That cohort is already
cohort yn barod yn fach. A ydych small. Do you think that those people
 chi'n credu y byddai'r bobl hynny yn would be prepared to pay, because
 fodlon wedyn i dalu, gan eu bod they know, of course, there is maybe
 nhw'n gwybod bod yna rywle arall i somewhere else they could go to
 fynd i ddarllen y cynnwys hwnnw? read that content?

[60] **Mr McCabe:** Yes, exactly. The excludability, or lack of excludability, is the fundamental problem. 'I can get this free somewhere else' is the fundamental problem. But the more that that provision is genuinely—. Well, first of all, you're talking about the Welsh language, which I think, in itself, makes it unique, but also where the content itself is unique because, let's face it, no-one else is going to cover it, then I think there are the beginnings of a sensible question and discussion, I think, with those communities, to see if there is a willingness to at least consider payment. Maybe, in the first instance, it's about getting the service absolutely right, and the second point is about making sure the community is genuinely engaged, both in the building of that effective service, and in how they would use it—what its effectiveness is, what its purpose is, if you like. I think, going through that funnel, you do get to a point, potentially—I'm not saying certainly, but potentially—where, actually, you could charge for that service, and it might not feel such a weird thing as it maybe feels today.

[61] My worry, which I've tried to express throughout this presentation and discussion, is that it's almost as if publishers are not approaching these questions in the right way, if you see what I mean. What they're trying to do is build an online newspaper, and I just don't think there's any demand for that concept anywhere in the western world. That's not what people want. What people want is to have their questions answered and to be engaged in relevant topics in their area. That's a completely different thing. Actually you could argue those are the Victorian roots of local newspapers, but we've definitely lost sight of that as we've built up newspapers over decades. So, in a sense, we're transitioning the wrong thing. I think what should be transitioned is almost the Victorian concept of what a local paper is and was, which is a return, truly, to the community spirit and engaging with the community as part of the service.

[62] **Bethan Jenkins:** Diolch yn fawr iawn am y cyflwyniad heddiw. Os nad oes cwestiynau eraill, byddwn ni'n dod â'r sesiwn yma i ben, ond mae'n siŵr y byddwn ni'n cyfathrebu â chi pan fyddwn ni'n dod â'r ddogfen neu'r adroddiad at ei gilydd ar ddiwedd yr ymchwiliad yma. Diolch yn fawr iawn eto am ddod i siarad efo ni heddiw.

Bethan Jankins: Thank you very much for your presentation today. If there aren't any more questions, we'll bring this session to a close, and I'm sure we'll be in touch with you later on when we produce the report at the end of this inquiry. Thank you very much for coming to speak to us today.

[63] **Mr McCabe:** Thank you very much for your time. Thank you.

[64] **Bethan Jenkins:** Thank you. We'll now take a short break before the next session. Diolch.

*Gohiriwyd y cyfarfod rhwng 10:14 a 10:28.
The meeting was adjourned between 10:14 and 10:28.*

**Adolygiad Annibynnol o Gymorth ar gyfer Cyhoeddi a Llenyddiaeth:
Sesiwn Dystiolaeth 1
Independent Review of Support for Publishing and Literature in Wales:
Evidence Session 1**

[65] **Bethan Jenkins:** Diolch a chroeso yn ôl i'r Aelodau. Rydym ni'n symud ymlaen at eitem 3 ar yr agenda, sef adolygiad annibynnol o gymorth ar gyfer cyhoeddi a llenyddiaeth—sesiwn dystiolaeth 1. A allaf i jest, cyn i'r sesiwn yma gychwyn, ddatgan buddiant fod fy nhad i wedi bod yn cymryd sesiynau yn Nhŷ Newydd ac yn rhan o rai o'r cynlluniau mae Llenyddiaeth Cymru yn arwain? Jest i fod yn glir.

Bethan Jenkins: Thank you very much and welcome back to the Members. We are moving on now to item 3 on the agenda: the independent review of support for publishing and literature in Wales. This is evidence session 1. Can I just say, before the session begins, I need to declare an interest here because my father did take sessions in Tŷ Newydd and was part of some of these schemes that Literature Wales leads? So, just to be clear on that.

[66] **Diben yr eitem hon yw clywed** The intention of this item is to hear

tystiolaeth o flaen ymchwiliad byr y pwyllgor i gymorth ar gyfer cyhoeddi a llenyddiaeth. Fe wnaethom ni benderfynu cymryd yr ymchwiliad wedi derbyn nifer fawr o sylwadau am yr adolygiad annibynnol a gynhaliwyd o dan gadeiryddiaeth yr Athro Medwin Hughes. Mewn cyfarfodydd i ddod, bydd y pwyllgor hefyd yn clywed gan yr Athro Medwin Hughes ei hun ac Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith. Heddiw, bydd y pwyllgor yn cymryd tystiolaeth gan Lenyddiaeth Cymru a Chyngor Llyfrau Cymru ac rydym ni wedi cytuno ar gwestiynau o flaen llaw i Aelodau.

evidence for this short committee inquiry into support for publishing and literature. We decided to undertake this inquiry having received many comments about the independent review that was held under the chairmanship of Professor Medwin Hughes. We will also be hearing from Professor Medwin Hughes himself in due course, and also the Cabinet Secretary for Economy and Infrastructure. Today, we will be taking evidence from Literature Wales and the Welsh Books Council, and we have agreed on our questions for Members in advance.

[67] Croeso yma heddiw i Lleucu Siencyn, sef prif weithredwr Llenyddiaeth Cymru, ac i Damian Walford Davies, sef cadeirydd Llenyddiaeth Cymru. Diolch yn fawr iawn i chi am ddod yma heddiw.

Welcome, today, to Lleucu Siencyn, chief executive of Literature Wales, and also to Damian Walford Davies, chairperson of Literature Wales. Thank you very much for coming in today.

10:30

[68] Y cwestiwn cyntaf gen i yw un am broses. A oes modd i chi amlinellu pa fath o ymroddiad oedd gennych chi i'r broses, os oedd yna broblemau ar hyd y ffordd, a beth oeddech chi wedi'i wneud i godi eich consérn yn hynny o beth, gan ein bod ni yn y sefyllfa yma nawr lle y mae yna rhyw fath o densiwn ac mae'n rhaid i ni geisio dod i waelod y peth er mwyn symud ymlaen yn awr? Diolch yn fawr iawn.

The first question then, from me, is one about process. Can you explain, please, what sort of commitment you had to the process? Were there any problems along the way, and what did you do, perhaps, to raise your concerns in that respect, as we're now in this situation where there is some tension and we need to try and get to the bottom of the matter in order to move forward? Thank you very much.

[69] Yr Athro Davies: Ti'n moyn

Professor Davies: Do you want to

cymryd hwn?

take this?

[70] **Ms Siencyn:** Diolch. A gaf i ddweud diolch yn fawr iawn i chi fel pwyllgor am edrych i mewn? Rydym ni'n ddiolchgar iawn am y cyfle. Mae'r broses yma wedi bod yn un hir, a phan glywom ni, fel Llenyddiaeth Cymru, fod yna ymchwil yn mynd i fod i'r maes cyhoeddi a llenyddiaeth yng Nghymru, ar y dechrau roeddem, wrth gwrs, yn croesawu'r cyfle hwn. Roeddem ni'n falch bod y Llywodraeth ym ymddiddori ym maes llenyddiaeth ac hefyd yn gweld pwysigrwydd cyhoeddi a llenyddiaeth fel sectorau ar wahân.

Ms Siencyn: Thank you. If I could first of all thank you as a committee for carrying out this inquiry. We're grateful for the opportunity to provide evidence. This process has been a lengthy one, and when we, as Literature Wales, heard that there was to be an inquiry into publishing and literature in Wales, at the outset, of course, we welcomed this opportunity. We were pleased that the Government was taking an interest in literature, and had also identified the importance of publishing and literature as separate sectors.

[71] Fe ddechreuon ni bryderu ychydig, mae'n rhaid dweud—ac mae hyn i gyd wedi cael ei nodi yn y papurau sydd wedi cael eu cyflwyno naill ai i'r pwyllgor neu i'r Ysgrifennydd Cabinet—am aelodaeth y panel ei hun pan gyhoeddwyd ef. Nid oedd yna gefndir i sut wnaeth yr aelodau yma gael eu dethol, na chwaith beth oedd yr arbenigedd penodol gan yr aelodau hyn. Roedd yna hefyd o leiaf un—os nad dau—gwrthdaro buddiannau ymhlith yr aelodau yr oeddem ni'n bryderus amdanynt. Fodd bynnag, heb fod trwy'r fath hyn o broses o'r blaen, roeddem ni'n hyderus ym mhrosesau tryloyw ac agored y Llywodraeth ac yn hollol hapus i gymryd rhan yn frwdfrydig. A dyna fel y fu, tan i ni gwrdd gyda'r panel ym mis Mehefin 2016.

We became slightly concerned, I have to say—and this is all noted in the papers that have been presented either to the committee or to the Cabinet Secretary—about the make-up of the panel itself, when that was announced. There was no information as to how these members were selected or what specific expertise they would bring to the table. There was also at least one—if not two—conflicts of interests among the members that we were concerned about. However, having not been through this sort of process before, we were confident in the transparent and open processes of Government and were content to participate enthusiastically. And that's how it was until we met with the panel in June of 2016.

[72] Yn anffodus, nid oedd y cadeirydd yn gallu bod yn bresennol oherwydd ymrwymadau eraill, ond fe ddirprwywyd aelod arall o fwrdd y cyfarwyddwyr ar ei ran. Mae'n rhaid i ni ddweud, roedd yr awyrgylch yn y sesiwn honno ychydig bach yn, os nad gelyniaethus, wedyn yn ymosodol ar adegau. Fe gyfathrebwyd hyn i'r cadeirydd yn fuan ar ôl y sesiwn, ac fe gododd y cadeirydd ei bryderon ef ynghylch cydbwysedd a phroffesiynoldeb y panel at Lenyddiaeth Cymru ar y pwynt hynny.

Unfortunately, the chair wasn't able to attend because of other commitments, but another member of the board of directors was delegated on his behalf. I have to say that the atmosphere at that session was, if not hostile, then quite aggressive at times. This was communicated to the chair soon after the session, and the chair raised his concern about the balance and professionalism of the panel in relation to Literature Wales at that point.

[73] **Professor Davies:** And if I can come in there, I've published this in a chair's statement—I think it was back in June—explaining why I refused at one particular point, out of principle, to meet with the panel because of what Lleucu has just said: the way in which the executive was treated unprofessionally in that hostile—again, as you quite rightly said—meeting. I then agreed to meet on two occasions, which flies against the claims of the panel's report that I did not meet with them. I agreed to meet with them on two occasions and was told right at the end that it was Medwin Hughes's own timetable that militated against a final meeting. This is a report that is flawed in so many ways, not least it's opening statement about me personally. So, your question was about our anxieties about procedure: other things have emerged, such as when I asked the secretariat to have sight of the responses of the other players involved, it became clear that during the meeting with the Welsh Books Council, for example, the panel had asked them before they had met with Literature Wales whether they were interested in taking on more responsibilities. I would like to know why they didn't ask us the same question.

[74] **Bethan Jenkins:** Ocê. Jest i fynd nôl at y pwynt o wrthdaro diddordeb: os oeddech chi'n ymwybodol o hynny—ac roeddech chi'n dweud nad oeddech chi'n adnabod y prosesau oherwydd roedd hynny'n rhywbeth

Bethan Jenkins: Okay. Just to go back to the point of conflict of interest, then: if you were aware of that—and you said that you weren't very aware of the processes and the procedures because they were new to you—for

newydd i chi—i fi, o edrych o'r tu allan, os oeddech chi'n ymwybodol o wrthdaro diddordeb o'r cychwyn, pam wedyn oeddech chi wedi dechrau'r broses yn y ffordd roeddech chi wedi gwneud? Pam nad oeddech chi wedi codi cwestiynau mwy mympwyol ar y pryd, o feddwl ein bod ni yn y sefyllfa yma nawr lle rydych chi'n cwestiynau hygrededd yr adroddiad?

[75] **Ms Siencyn:** Mae hwnnw'n bwynt ardderchog. Yn wirioneddol, ar y pryd, roeddem ni yn credu y byddai'r unigolion hyn yn datgan eu diddordeb mewn ffordd glir, ac y byddai'r datganiadau hynny'n cael eu cynnwys a'u rhoi yng nghyd-destun unrhyw benderfyniadau. Dyna beth yr oedd yr ysgrifenyddiaeth a'r gweision sifil yn ei ategu: bod egwyddorion Nolan bob tro yn dod i mewn i hyn.

[76] Nid oeddem ni'n credu ei fod e'n, bron â bod, ein lle ni i gwyno, o'r dechrau, am unigolion ar y panel. Wrth gwrs, byddech chi'n cofio bod yna unigolyn arall wedi bod yn y wasg yn ystod trefnu'r panel, sef y cadeirydd ei hunain, gyda nifer o sylwebwyr yn mynegi pryder ynglŷn â gwrthdaro buddiannau. A'r hyn a oedd yn fy meddwl i yng nghyd-destun hyn: mae yna nifer o wrthdrawiadau potensial o fuddiannau yn dod ymlaen fel hyn o ran trafod sector mor eang â llenyddiaeth a chyhoeddi fel y byddai yna broses drwyadl yn digwydd. Yr hyn sydd wedi ein synnu ni—. Mae'n

me, looking from the outside, if you were aware of a conflict of interest from the very beginning, why did you then take part in that process and engage in it in the way that you did? Why didn't you raise these concerns at the time, thinking of where we are now with you questioning the credibility of the report?

Ms Siencyn: That's an excellent point. At the time, we truly believed that these individuals would declare their interests in a clear manner, and that those declarations would be included and put in the context of any decisions taken. That's what the secretariat and the civil servants had told us: that the Nolan principles were always relevant.

We didn't think that it was our place to complain, at the outset, about individuals on the panel. Of course, you will also bear in mind that there was another individual who had made comments in the press during the process—the chair himself—with a number of commentators expressing concerns about conflict of interests. What was in my mind in this context was that there are a number of potential conflicts here in discussing such a broad sector as publishing and literature that we did think that there would be a thorough process in place to deal with that. What surprised us—. Let us not forget the

rhaid i ni beidio ag anghofio a true shock that we had in reading the thanlinellu'r syndod anhygoel y report on its publication, because we cawsom ni wrth ddarllen yr didn't see a copy of this at all before adroddiad pan ddaeth e mas, achos its publication. We didn't have any chawsom ni ddim weld yr adroddiad opportunity to respond as one of the yma o gwbl tan iddo gael ei main stakeholders. Now, this may be gyhoeddi. Wnaethom ni ddim gael common practice in such an inquiry. gyfle i ymateb fel y prif rhanddeiliaid. But, in reading the report, it became Efallai bod hwn yn rhan o'r broses apparent to us not only that these arferol mewn ymchwiliad o'r fath. interests hadn't been declared, but Felly, trwy ddarllen y ddogfen, yr that some of these interests had oedd e'n amlwg nid yn unig nad oedd found their way into the body of the y buddiannau yma wedi cael eu report and into the recommendations datgan, ond bod rhai o'r buddiannau too. yma wedi ffeindio eu ffordd i mewn i'r adroddiad, ac, yn wir, yr argymhellion.

[77] **Bethan Jenkins:** Ocê, diolch. **Bethan Jenkins:** Okay, thank you. Mae gan Dawn Bowden mwy o Dawn Bowden now has a question. gwestiynau.

[78] **Dawn Bowden:** Yes. Thank you, Chair. I think you've answered the question I was going to ask around why you didn't report that or make your concerns known, but can you just expand a little bit more on how you think these potential conflicts of interest impacted on the report? I think you were just starting to do that in your last comment, but I'd just be interested to hear a little bit more about how you think that may have influenced the report.

[79] **Ms Siencyn:** Yes. Well, going a little bit stepping beyond, I just want to note concerns about the diversity of the panel and the level of expertise—and we will talk about that later, I hope—in that the definition of 'literature' is very much one-sided and reflects a lack of diversity within the panel itself, and that the expertise does not reach into what we define as literature in its broadest terms. So, that, again, has gone into the recommendations, as you see.

[80] The specifics of the conflict of interest relate to the chair of an organisation called Welsh Literature Exchange, which is an organisation that Literature Wales used to fund. And, it's true to say, and we've supplied

documents regarding this, that there were some problems in funding this organisation and it wasn't an easy relationship. So, it was with some surprise that the chair of this organisation was also the vice-chair of the panel, and, indeed, that there are some recommendations involving further funding—. Sorry, Welsh Literature Exchange is responsible for translation grants, and the recommendations are that the Welsh Government should look into further funding of translation grants. That hasn't got an impact specifically on us, as Literature Wales, but that's an example where these conflicts of interest, in the body of the report itself, have not been articulated. They may well have been articulated in other minutes and we've asked to see sight of these and we've yet to receive them.

[81] **Dawn Bowden:** Okay.

[82] **Professor Davies:** And, just if I may add to that, that particular conflict of interest, it came through in the report in interesting ways, and that's obviously for this committee and the Cabinet Secretary to judge for themselves, but just to say that, the difficult relationship that Lleucu has just outlined—. We sought to make WLE, Wales Literature Exchange, more compliant, more strategic, and we had deep anxieties about the percentage of the money that we were dispersing to them that was going on salaries. So, we had worries about their governance, the lack of strategy going forward, and financial issues—generally, compliance. I wrote to the chair, who is on the Hughes panel, raising specifically issues of salary and governance, and it's very interesting how those two issues, with absolutely no evidence, come back, thrown back at Literature Wales with absolutely no evidence. And we can talk about that again, but it seemed to me interestingly mapped onto my letter to the WLE chair.

[83] **Dawn Bowden:** Okay. If I'm not putting words into your mouth, you feel that some of the recommendations may be a bit of a retaliation for actions that you've previously taken, or things that you've previously said.

[84] **Professor Davies:** We thought the similarity was curious.

[85] **Dawn Bowden:** Okay. I take your point. Okay. All right. You've also said that you felt the report has already had a damaging effect on the organisation, and particularly your relationship with some of your partners. Can you expand a little bit on that, perhaps?

[86] **Professor Davies:** Yes. I think there has been significant reputational

damage over the summer. We are a very robust and connected institution, and we'll talk a bit further, later on, perhaps, about the network—the very deep embedded networks that we have with multiple partners—which actually goes by the board in this report; none of that's acknowledged. Lleucu, would you like to say how, materially, those have been impacted?

[87] **Ms Siencyn:** Yes, of course. It's been—. As I've said before, this report came as an absolute shock. Regardless of the difficulties of the process itself, I still believed in the transparency of such reviews. The level and the depth of inflammatory comments about Literature Wales within this particular work is absolutely shocking—and those of you who would have read it would have understood—let alone for a report on literature to be so badly edited and written, but we'll put that aside. So, the shock of this really had an impact on us as a team, personally: a hard-working team of people who are passionate about what we believe in, which is to make literature accessible to everybody in Wales in all manner of forms. It did have a shock. Having said that, I'm very pleased to say that, at the moment, in the autumn, we do have a packed programme of high-level activity, in partnership with the Welsh Government—for example, a really successful tour of a Hedd Wyn multimedia show. That was in Ireland last week. We're in receipt, on a weekly basis, of letters of support, unsolicited by our partners and by some key members of the sector. So, perhaps it has galvanised a sense that Literature Wales and what we do is an extremely important national institution in Wales and the threats implicit within this report should be taken seriously.

[88] **Dawn Bowden:** Sure. So, the kinds of concerns that you have have not fully materialised. It's just that you've got a concern about the reputational damage, but that doesn't seem to have materialised in anything concrete in terms of the partners and organisations that you work with at the moment.

[89] **Ms Siencyn:** Not yet, because, in a way, although the Cabinet Secretary said in June that he was minded to accept the recommendations, he has since emphasised the word 'minded', and I think this process that we're undertaking right now with you is part of that process of being 'minded', and I think we should, in later questions perhaps, demonstrate what would be lost and what would be the danger to the sector should the recommendations be accepted. That's where the real risk lies.

[90] **Dawn Bowden:** Okay. Okay, thank you. Thank you, Chair.

[91] **Bethan Jenkins:** Suzy Davies, **Bethan Jenkins:** Suzy Davies, a

cwestiwn atodol.

supplementary question.

[92] **Suzy Davies:** Yes, just very quickly, if I can just take you back to the governance question, because obviously that was a big concern to you, the arts council has rode behind you and said that the characterisation in the report was wrong, but they have, according to the report, also identified your organisation as at 'red risk'. Can you just tell us what that 'red risk' is about?

[93] **Professor Davies:** Yes, the red risk—. These are risk registers that all those who are funded by the arts council fill in on a regular basis as part of their regular statutory monitoring. Literature Wales was, and this is a very interesting point, put down on the red risk register simply because of this report, that this report was due, as it were—not because of the results of the report, but because the conclusions of the report might manifestly change the way we work.

[94] **Suzy Davies:** So, were the Welsh Books Council at red risk for the same reason then?

[95] **Ms Siencyn:** They're not funded by the arts council.

[96] **Suzy Davies:** No, no. Fair point. Fair point.

[97] **Ms Siencyn:** This is part of the Arts Council of Wales radar reports, and it's a very useful way of monitoring and building relationships. Prior to the current red risk, there were other red risks, with concern to Tŷ Newydd and other matters that have since been resolved. So, you're going back three years of red risk labels, if you like. But the latest one demonstrated that all the concerns have now been dealt with; the remaining one was the shadow hanging over us all with this review.

[98] **Professor Davies:** Before the review was actually—*[Inaudible.]*

[99] **Ms Siencyn:** Yes.

[100] **Suzy Davies:** So, the very fact you're under the microscope prompted the red risk.

[101] **Ms Siencyn:** Exactly.

[102] **Suzy Davies:** Okay. Thank you.

[103] **Professor Davies:** And, as the arts council said—quote, unquote—

[104] ‘if an organisation had poor leadership and was not being run properly ACW would react and take action but LW was not in that position.’

10:45

[105] **Ms Siencyn:** If I may add as well, what’s also astonishing in Medwin Hughes’s report is reading the section on the arts council. The arts council repeatedly explains that the process of monitoring organisations—. And Literature Wales, it also says, at no time has it been under special measures. But the panel decides for itself that this is the case, and throughout that section it kind of changes the position of the arts council for itself. That really needs to be answered robustly by the panel and we’re still waiting to hear from the panel why was this picture painted that’s unsubstantiated and lacking in any evidence.

[106] **Bethan Jenkins:** Ocê. Diolch. **Bethan Jenkins:** Okay. I think that Rydw i’n credu bod gan Jeremy mwy Jeremy now has some more o gwestiynau yn benodol ar hyn. questions specifically on this.

[107] **Jeremy Miles:** Happily, Suzy’s brought us to the area that I was planning to ask about, the role of governance. *[Interruption.]* That’s okay. The question of governance is really at the heart of many of the broader allegations, if I can use that term, in the report. In your evidence to this committee, your own report, if you like, you’ve talked about them being non-evidenced, and you’ve referred to the range of regulators, really, in addition to your relationship with the Arts Council of Wales. I just wonder—you’ve mentioned the red flag, so I won’t pursue that line, but have you ever had from your auditors or from the Charity Commission or even from Companies House any substantial red flags raised by any of them in relation to any matters that you’ve conducted?

[108] **Professor Davies:** Emphatically no, never. Actually, precisely the opposite every time.

[109] **Jeremy Miles:** Okay. And you also say—. One of the points that the report makes is that the organisation does not contain the right composition of skills and experience to run a body spending public money, which is a very, very significant accusation to lay at any organisation. In your response,

you've indicated that you as an organisation have the expertise, the experience, and the management structures to deliver your remit, and to do so in accordance with the obligations that you'd expect a body in receipt of public funds to take on, if you like. And you've evidenced that by talking about your core ethos and the membership of the board being diverse, all of which is obviously good. What is the composition of the board or of the management in terms of the sorts of skills required, as it were, to discharge the functions of a body in receipt of public money, then? The compliance aspect, if you like, rather than the broader ethos of the organisation.

[110] **Ms Siencyn:** Well, again, referring to our independent auditors Broomfield & Alexander, as you might be aware, with any charitable body or body responsible for public funds, the level of scrutiny is far more intense now than it might have been a number of years ago, and key management personnel are articulated with their roles in terms of finance and HR and strategic leadership as well as the range of skills and expertise within the board. We have specific portfolios for board members and we regularly run recruitment. We have at the moment gaps in terms of finance and HR and we will be recruiting—well, would have been recruiting; hopefully, still recruiting—in the autumn for further board members.

[111] **Jeremy Miles:** How long have those gaps been—? They're board gaps, are they?

[112] **Ms Siencyn:** Yes. Yes, they're board gaps. And, if we compare ourselves to other national companies or arts organisations, there really is very little difference in the expertise of senior personnel and board members in the comparator organisations. However, governance is something we take extremely seriously, and it's something that we regularly use external consultants to come and run workshops on, and advise us on best practice so that we are ahead of ourselves. We do realise that this is a very serious issue, that we have to be compliant to public funding. The comments about us not being fit for public funding are frankly outrageous.

[113] **Professor Davies:** That's scandalous. Absolutely scandalous.

[114] **Ms Siencyn:** We would hope, whatever happens during this process, that the lack of evidence that Professor Medwin Hughes and his panel has in this will transpire in some kind of correction and clarification going forward.

[115] **Jeremy Miles:** Can I just ask? Were you as an organisation asked to

provide copies of board minutes or any information around internal structures that might evidence robustness and resilience in relation to these compliance-related matters?

[116] **Professor Davies:** We certainly delivered all of that and more, and, after the meeting with the panel, we provided even more, and were actually thanked by the chair for the amount and detail of the submissions we put in.

[117] **Ms Siencyn:** There are comments again in this particular section that show the lack of consistency or even the fact that the panel itself is inconsistent in the reporting on the different organisations, and uses sentences, for example: that there's an imbalance between the board and the senior management, and it talks about the atmosphere of board meetings without ever being present at any one. So, there are sentences or descriptions of how the board operates that's to do with opinion, but opinion based on hearsay—something that somebody's heard somewhere else—but certainly unsubstantiated, and it's a great surprise. I would really again—we've asked this question—want to find out why the panel chose to go down this route.

[118] **Jeremy Miles:** Okay, just on your experience as chief executive, when you present to the board on matters that are operational and how you're discharging your remit and how you're spending funds, are you accustomed to being challenged on some of those things?

[119] **Ms Siencyn:** Yes, and we have had some challenging times in the last few years, and these are issues that we would have been happy to articulate or make public as they were. The transfer of the responsibility of Tŷ Newydd writing centre was a difficult process and required a whole new different skill set. So, yes, we have been challenged. Some initiatives, some new projects we've delivered might not have been as successful as others, and these have to be reported and decisions have to be made regarding the continuation of these projects or not.

[120] **Jeremy Miles:** But that's part of your natural relationship with the board.

[121] **Ms Siencyn:** Absolutely.

[122] **Professor Davies:** And because of the level of change that we've been through since 2011 when Literature Wales was formed out of other bodies,

bringing Academi together with Tŷ Newydd, the board has also challenged the chief executive and the executive itself. The board and the chair certainly do not rubber-stamp the executive.

[123] **Jeremy Miles:** Okay, thank you, both, very much.

[124] **Bethan Jenkins:** A allaf i jest gofyn cwestiwn clou, clou? Damian Walford Davies, rydych chi wedi dweud bod chi'n risg coch oherwydd yr adroddiad yma. Ai eich barn chi yw hyn neu a yw cyngor y celfyddydau wedi dweud hyn wrthoch chi?

Bethan Jenkins: Can I just ask a quick question? Damian Walford Davies, you said that you're a red risk because of this report. Is that your opinion, or has the arts council told you this?

[125] **Yr Athro Davies:** Maen nhw wedi dweud hynny yn uniongyrchol ac yn blaen.

Professor Davies: They've told us directly and clearly.

[126] **Bethan Jenkins:** Ar y record, dim jest—

Bethan Jenkins: And that's on the record, not just—

[127] **Yr Athro Davies:** Ydyn.

Professor Davies: Yes.

[128] **Ms Siencyn:** Mae dogfennau y gallwch chi eu cael yn egluro hyn.

Ms Siencyn: There are documents that we can provide that explain this.

[129] **Bethan Jenkins:** Ocê, grêt, diolch yn fawr iawn. Dai Lloyd.

Bethan Jenkins: Okay, great. Thank you. Dai Lloyd.

[130] **Dai Lloyd:** Diolch, Gadeirydd. Bore da. Jest yn nhermau yn benodol rŵan, yn dilyn y trafodaethau rydym ni wedi eu cael, gan sôn rŵan yn benodol am y cymorth i awduron, llyfr y flwyddyn a Thŷ Newydd, a allaf i ofyn i chi beth fyddai'r effaith pe bai Cyngor Llyfrau Cymru yn dod yn gyfrifol am y rhaglen fwrsariaeth a gaiff ei rhedeg ar hyn o bryd gan Lenyddiaeth Cymru?

Dai Lloyd: Thank you, Chair. Good morning. Specifically now, following the discussions we've had and looking at the support for authors, the book of the year awards and Tŷ Newydd, what will the impact be if the Welsh Books Council took on the responsibility for the bursary programme that is currently run by Literature Wales?

[131] **Professor Davies:** Shall I start?

[132] **Ms Siencyn:** Yes.

[133] **Professor Davies:** Just to say that were they to take on board the bursary support for writers element, first of all it's not a simple matter of their being able to take that on board because of the complexities of bursary funding, which, I have to say, I am not convinced that initially the Welsh Books Council quite understood. Certainly, the panel didn't understand the complexities of that. All those who are in receipt of bursary funding must be cleared by the arts council and, above that, by the Department for Digital, Culture, Media and Sport. So, that's a practical, operational answer.

[134] Also, were they to take that on board, their expertise, of course, is in the commercial publishing sector, not in bursaries to develop writers to develop on the creative side. They have absolutely no experience doing that.

[135] **Ms Siencyn:** Efallai y byddai'n werth, os caf i, ategu'r gwahanol fathau o *remits* sydd gan Lenyddiaeth Cymru a'r cyngor llyfrau. Ac wrth gwrs—gobeithio y cawn ni ddod nôl i hyn—mae'r diffiniad o lenyddiaeth, ac rwy'n siŵr bod yr unigolion o gwmpas y ford hon yn gwybod ac yn deall yn iawn beth yw'r diffiniad o lenyddiaeth dipyn yn well na'r panel. Pwrpas ysgoloriaethau fel ein projectau ni yw ystyried llenyddiaeth fel celfyddyd, a chelfyddyd sy'n gallu datblygu ei hunan neu amlygu ei hunan mewn sawl gwahanol fodd—digwyddiadau byw, ac wrth gwrs rydym ni fel Cymry Cymraeg yn gwybod yn reddfol pa mor bwysig yw rhwydwaith o ddigwyddiadau byw yn ein cymunedau ni. Mae hyn yn cael ei anwybyddu gan yr adroddiad.

Ms Siencyn: Perhaps, if I may, it may be worth emphasising the different kinds of *remits* that Literature Wales and the Welsh Books Council have. And of course—I hope we can return to this—there is the definition of literature, and I'm sure that individuals around this table will fully understand what the definition of literature is, and far better than the panel itself. The purpose of scholarships and bursaries such as those within our projects is to look at literature as an art form, and an art form that can develop and highlight itself in a number of different ways—live events, and of course we as Welsh speakers know instinctively how important a network of live events are in our communities. This is ignored in the report.

[136] Rai blynyddoedd yn ôl, mi wnaeth y diweddar Tony Bianchi, a Bianchi, who was working as a

oedd yn gweithio fel arweinydd llenyddiaeth yng Nghyngor Celfyddydau Cymru, drosglwyddo rhai o'r cyfrifoldebau llenyddiaeth ar y pryd i ddau gorff gwahanol, sef y cyngor llyfrau ac Academi. Academi, fel mae rhai ohonoch efallai yn gwybod, sydd wedi troi i mewn i Llenyddiaeth Cymru. Rwy'n cofio hyn; roeddwn i'n gweithio gyda Tony ar y pryd. Ac roedd y papur strategaeth y gwnaeth e ei ysgrifennu ar y pryd yn egluro'n gwbl gyfan beth oedd y gwahaniaeth yn y projectau yma, sef bod ysgoloriaethau a mentora a llyfr y flwyddyn, oedd yn arfer cael eu rhedeg gan gyngor y celfyddydau, yn gorfod aros o dan adain cyngor y celfyddydau fel gweithgareddau artistig, a gyda'r egwyddor hyd braich ynghlwm wrthyn nhw, ac wedyn bod y grantiau cyhoeddi Saesneg, fel ag yr oedden nhw ar y pryd, oedd yn cael eu rhedeg gan gyngor y celfyddydau, wedi cael eu trosglwyddo i'r cyngor llyfrau fel grantiau cyhoeddi yn ymwneud â'r diwydiant cyhoeddi. Roedd y gwahaniaeth yn hollol glir i Dr Tony Bianchi ar y pryd, a dyna beth sydd wedi cael ei golli yn anffodus yn yr argymhellion hyn.

literature lead at the Arts Council of Wales, transferred some of the responsibilities for literature at the time to two different bodies, which were the books council and Academi. Academi, as some of you know, became Literature Wales. I recall this because I worked with Tony at that time. And the strategy paper that he wrote at that time explained very comprehensively the difference in these projects, namely that scholarships, mentoring and book of the year, which used to be run by the arts council, would have to remain under the auspices of the arts council as artistic activities, with the arm's-length principle in place, and then that the English-language publishing grants, as they were at that time, which were being run by the arts councils, were transferred to the Welsh Books Council as publishing grants related to the publishing industry. The difference was entirely clear to Dr Tony Bianchi at that time, and that's what's been lost unfortunately in these recommendations.

[137] **Dai Lloyd:** Ocê, diolch. Yn dilyn o hynny, a allaf i ofyn ymhellach, beth yw manteision felly cael dau sefydliad sector cyhoeddus yng Nghymru, sef Llenyddiaeth Cymru, a Chyngor Llyfrau Cymru, a'r ddau yn darparu cynlluniau arian grant ar gyfer llenyddiaeth? A allwch chi

Dai Lloyd: Okay, thank you. Following on from that, can I ask you what the benefits are therefore of having two public sector organisations in Wales—Literature Wales and the Welsh Books Council—both providing grant funding schemes for literature. Could you perhaps underline that

ategu'r diffiniad o lenyddiaeth definition of literature again?
unwaith eto?

[138] **Ms Siencyn:** Wel, beth sy'n ddiddorol yw bod y panel a'r adroddiad yn diffinio llenyddiaeth yng nghyd-destun cyhoeddi, a bron â bod cyhoeddi yn unig. Os edrychwch chi ar gyhoeddi, mae llenyddiaeth ond yn rhan o gyhoeddi. Mae cyhoeddi yn golygu llyfrau rysâit, teithlyfrau, llyfrau ffeithiol, llyfrau addysgol. Dyna faes cyhoeddi, ac, o ran canran, ychydig o hwnnw y gellid ei alw yn llenyddiaeth. Rydym ni fel corff llenyddol yn diffinio llenyddiaeth fel mwy na chyhoeddi. Felly, mae yna ddarn bach yn y canol lle mae yna groes gyffwrdd, ac rŷm ni wedi creu darlun, diagram Venn yn diffinio beth yw'n *remit* ni a *remit* y cyngor llyfrau, a lle y gellid gwella cydweithio a strategaethau, a dyma hoffwn i ei weld yn digwydd yn symud ymlaen.

Ms Siencyn: Well, what's interesting it that the panel and the report define literature in the context of publishing, and virtually publishing alone. If you look at publishing, literature is only a part of that. Publishing means recipe books, travel guides, factual books, educational content. That's all covered by publishing and, in percentage terms, only a small amount of that could be described as literature. We as a literature organisation define literature as more than just publishing. So, there is that centre ground where there is that crossover, and we have created a Venn diagram defining what our remit is and what the books council's remit is, and which shows where collaboration and strategies could be improved, and that's what I would like to see happening as we move forward.

[139] Rwy'n credu bod yr egwyddor hyd braich yn bwysig fan hyn, yn enwedig o ran rhyddid artistig, a sut mae'r cyngor celfyddydau ei hunan, fel corff gyda'r statws sydd gydag e, yn gallu gwarchod buddiannau rhyddid artistig a chymryd risg. Wedyn, mae'r cyngor llyfrau, wrth gwrs, yn edrych ar ôl y diwydiant cyhoeddi a'r fasnach, ac mae yna oblygiadau a blaenoriaethau tra gwahanol yn hynny.

I think that the arm's-length principle is very important here, particularly in terms of artistic freedom and how the arts council itself, as an organisation with the status that it has, can protect artistic freedoms and take risks. Then the arts council of course looks after the publishing industry in a commercial sense, and there are different implications and priorities there.

[140] **Dai Lloyd:** Diolch. Mi allem ni gario ymlaen, ond, Damian. **Dai Lloyd:** Thank you. We could go on with that, but, Damian.

[141] **Yr Athro Davies:** Jest i ddweud bod y cyngor llyfrau yn delio â chyhoeddwyd yng Nghymru yn unig, wrth gwrs. Mae Llenyddiaeth Cymru yn rhoi cymorth strategol i awduron sy'n cyhoeddi y tu hwnt i Gymru yn ogystal. **Professor Davies:** Could I just say that the books council does deal with publishers in Wales only, of course? Literature Wales gives strategic assistance to authors who publish beyond Wales also.

[142] **Dai Lloyd:** Diolch yn fawr. Rwy'n ymwybodol o amser, felly mi adawaf i hynny. **Dai Lloyd:** Thank you very much. I'm very aware of time, so I'll leave that there.

[143] **Bethan Jenkins:** Neil Hamilton. Diolch, Dai.

[144] **Neil Hamilton:** One of the things that's said in this review is that Literature Wales doesn't seem to encourage writers to become commercial, which I presume you disagree with as a judgment. Can you perhaps give us your response to that, and perhaps speculate upon why the panel made the assertion that they did?

[145] **Ms Siencyn:** It's quite interesting—the panel contradicts itself throughout. So, in several areas, the panel puts the economic value of literature and publishing as the main prerequisite for any kind of subsidy and funding. Very well. However, in the discrepancy in the way that organisations are scrutinised, if you like, the questions of economic success aren't applied as much to the books council, which is an organisation primarily for the commercial or the publishing sector, as they are to Literature Wales, which looks at participation and the artistic endeavour.

[146] Having said that, we are for writer development. We want our writers to be ambitious, and, yes, there is a certain, if you like, cultural tension between what success is in terms of writing—is it being published by a mainstream, London-based publisher? So, for example, Cynan Jones has recently been shortlisted for the BBC short story. The award is to be published by Granta. Writers like Owen Sheers and Horatio Clare are published by Faber and so forth. I think, last year, in the book of the year, all three fiction category writers were Faber books. In a way, that is something to celebrate. It shows that we have authors from Wales writing about the

Welsh experience who are finally being noticed in the mainstream London press. But we also want to show support to our colleagues and friends who are working very hard at the grass-roots, indigenous Welsh publishing sector. This is a common problem in other areas, for example, Ireland, and even in Yorkshire and New Writing North. But it's something that we should, as a collective, discuss, and find a strategy that allows our writers to become successful.

11:00

[147] **Professor Davies:** And also the report fetishizes an outdated and frankly medieval model of literature, which is based on the end product, as Lleucu said, which is the book—the published book—and it doesn't move from that at all. It pays lip service merely to the digital, but Literature Wales is interested in the multifarious forms of literary activity and of writing more generally, and Literature Wales, I think, in the last three or four years, has been sector-leading in defining a more democratic conception of what literature is. In fact, I would rather Literature Wales be called 'Writing Wales' or something like that, because 'literature', of course, does have this rather expert, academic snobbishness about it in some ways, and that's something that we've tried to push back against, as well as, of course, celebrating the success stories of those at the other end of the scale.

[148] The important thing here is that our strong commitment to social justice and our work with children and young people, which was absolutely airbrushed by the panel's report, is meant to guarantee the future of literary creation and of writing more generally, and of how the word and language emancipates people who have, frankly, not been touched by culture and have not had the opportunity to put themselves in voice. I go back to the characterisation of the report as having an absolutely medieval conception of the book.

[149] **Neil Hamilton:** There's obviously a fundamental conceptual dichotomy between you and the panel that we'll need to explore further.

[150] If we turn to Tŷ Newydd, which the panel says is clearly underperforming, it's unclear why it's receiving public subsidy. You've responded very robustly to other judgments of that kind. Perhaps you could do the same for this one.

[151] **Ms Siencyn:** Yes, again, referring back to the fact that the level of

scrutiny applied to Literature Wales, in terms of its responsibility to have a financial return on each of its projects, wasn't similarly applied to the books council. The panel fundamentally misunderstood what Tŷ Newydd is and was. It failed to visit Tŷ Newydd during the very lengthy process. It failed to speak with any of the tutors or any past participants and I'm sure you've had sight of numerous letters and testimonials to this effect.

[152] If you consider Tŷ Newydd as a venue—a subsidised venue—it's on a par with other subsidised venues in the region of Gwynedd. The level of Government subsidy that goes through the arts council that is allocated to Tŷ Newydd is 37 per cent of its overall turnover, which is about the same level as you'd expect in a venue of its kind. When Literature Wales took over Tŷ Newydd, it was indeed a fantastic and well respected institution, but it did have financial instability, in that, despite the subsidy, it would often end up with a loss. So, we've managed, through working closely with business consultants and the arts council, to take that deficiency down to zero in this year. It's through partnerships with Under the Thatch, for example—. Under the Thatch is this high-end, Welsh holiday letting agency. I think projection this year is £23,000 for hiring it out in a fallow period. That's £23,000 that didn't exist a couple of years ago. But, in order to reach the level of excellence that Under the Thatch needed, we had to do significant improvements, which we have done.

[153] But we must remember that Tŷ Newydd is more than just a hotel for retired hobbyists; it's also our headquarters in the north, if you like. A third of Literature Wales staff work there and they work on national and international projects, as well as local, community projects. We're really proud of how embedded we are in Gwynedd because of Tŷ Newydd. We have deep roots there and we've managed to springboard with partnerships a number of incredible community projects in Gwynedd. All the staff there are Welsh-speaking and most of—and I'm sure that some of you would be delighted to hear this—our funding through Writers on Tour goes on Welsh-language events in Gwynedd, simply because of the base and the deep-rooted relationships we have in Gwynedd with different organisations and literary agents.

[154] So, the recommendation of this report do threaten Tŷ Newydd and jobs in Gwynedd, and also all our relationships with partners there.

[155] **Neil Hamilton:** My third question is about the book of the year award, which the panel review says you show a palpable lack of enthusiasm for.

Perhaps you could respond to that and say what would be the impact of the Welsh Books Council taking on this responsibility.

[156] **Ms Siencyn:** First of all, I would like to know how the panel, who, as far as I remember, have not been present at any recent book of the year ceremony or the internal planning meetings, could use the words ‘palpable lack of enthusiasm’ and describe themselves as a transparent and open panel. We’ve got a very exciting announcement soon about the book of the year this year, and I warmly invite each committee member here to come to the event, where you will see for yourselves that book of the year isn’t something that one officer does somewhere in Cardiff. Each and every one of us gets our hands in and does the organisation. We work the evening. We absolutely love it. It’s something that we pride ourselves on, in putting on an event, if you like, programming and delivering an event. We’ve got years of experience of doing this, and the panel says that book of the year has lost some of its glory or it’s somewhat more lacklustre now—we deliberately didn’t want to have a three-course meal in a posh hotel, as it used to happen, because this, frankly, did not include or was financially out of reach of normal members of the public. We are trying to make book of the year more democratic, and by using social media, I think that, last year, there were over 3 million hits throughout the different Google analytics and Twitter reach for book of the year. So, perhaps if you’re from that slightly old-fashioned world where you want to a sit-down dinner and you want to read about it in a prestigious magazine, it might seem to have lost its lustre, but, certainly, we have gained audience for book of the year, and I very much hope we continue to do so.

[157] **Professor Davies:** Maybe the panel members are missing their three-course meals. [*Laughter.*]

[158] **Ms Siencyn:** It might be that they weren’t put on the shortlist.

[159] **Bethan Jenkins:** Okay. I’ve got my handbags out. [*Laughter.*]

[160] Mae’n rhaid inni symud [161] We have to move on now, ymlaen, achos mae amser yn mynd because time is short. Suzy Davies yn brinnach. Suzy Davies sydd â has questions for you now. chwestiynau nawr.

[162] **Suzy Davies:** Okay. Well, I can encapsulate it in one question, really. If, as you say, literature isn’t just about the book and publishing, and bearing in

mind the arts council's remit letter about accessibility and democratising the arts generally, tell us about participation and the work that you do in that. And what is the purpose of it? More importantly, what is the reach of it? Because it's fine to say it's all grand and dandy in Gwynedd, but what about the rest of Wales?

[163] **Ms Siencyn:** I'm really glad you asked that, because, again, the panel itself talks about literary events, and it doesn't understand the concept of participation and engagement. It also gives short shrift to the amount of participation in terms of numbers. It criticises Literature Wales and the arts council—I think they use the word 'misguided'—for using figures, but this is actually our requirement for Welsh Government and funders, to show that we do have large numbers. Yes, Gwynedd is a good story to tell, but for many years, we've worked intensely in the south Wales Valleys region, and we've built up hundreds of partners over the years to deliver this work. None of it could be delivered by us ourselves. We are quite a small team. It's all about working in partnership, coming round the table, identifying—there's no off-the-shelf—different types of project. So, for example, we did a comic/graphic novel workshop with young people who are defined as NEETs in the Caerphilly area with a graphic novelist and a writer, and they were then able to see that book published. There was an award ceremony for them, and they then have gone on to sell those books to their peers. I think that, when you go and see it—and, again, I invite you all warmly to come and see one of these workshops—and when you see the transformation in one of these workshops with the targeted groups that we work with, it really does demonstrate the value of the work.

[164] The whole of the work we did with Roald Dahl's centenary, for example, was utterly ignored by the panel, and that work showed us as an enabler. So, we've co-funded a number of intense workshops around Wales, using the books of Roald Dahl as a starting point for deeper discussion. For example, we worked with families, children and parents in Parc prison, and you can use a story—for example, *Danny, the Champion of the World*, where the father is on the wrong side of the tracks, and the father gets into a lot of trouble with the law. But that element of love between that father and that child helps a small child to understand and empathise and articulate their own fears. That's the power of literature. So, I'm just giving you an example here of the type of work we're doing.

[165] **Suzy Davies:** No, no, that's a very valuable one, actually, but what I want to ask as my supplementary on that is, what can you tell us that will

help us understand that it's Literature Wales only that can deliver this rather than, I don't know, a private body or, indeed, the Welsh Books Council? You did mention relationships earlier on, but is there more to it than that?

[166] **Professor Davies:** No. I think that's a really important point. To pick up on what Lleucu said there about partnerships, we are enablers; we are brokers in the sector. What this report impels are all those connections—that really, really dense network of partnerships of common understandings, of human relations—that we have that enable us to bring our expertise to bear in ways that transform lives, frankly. Literature Wales is not in the business of offering glib soundbites about what we do. Were all this transferred in this kind of dump, frankly, that Medwin Hughes and co wish to see, in an under-thought and under-researched report, all those partnerships built up over years and years and years will be decimated. So, the provision and the difference that Literature Wales is palpably making now is based on hundreds and thousands, frankly, of relationships that we have already built up, and our partners are telling us—many of them—that they will not work with anybody else. One good example there, I think—a big part in there that has enabled so much recently—is the Dahl literary estate.

[167] **Suzy Davies:** Thank you.

[168] **Bethan Jenkins:** Thank you. Hannah.

[169] **Hannah Blythyn:** Thanks, Chair. I just want to turn briefly to finances. I think one of the things that stands out in the review is that they said that 75 per cent of the Literature Wales budget was spent on its own staff salaries, but in your response you see that as something more like 45 per cent to 47 per cent, and that's quite a significant gap. So, I wonder if you could shed light on how those two different figures have come about.

[170] **Ms Siencyn:** We've asked Medwin Hughes and the panel how they came to that figure. It seems to be an error, and not the only error in terms of figures within the report. They've also got an error in one of the figures they have for the books council. It says somewhere that 65 per cent of the Welsh Government money going to the books council is spent on Welsh language publishing. If that were true, then £2.34 million would be spent on the Welsh language, when it's £1.6 million. So, it's riddled with misunderstandings of quite simple budgets. So, I would like to find out how they came at this figure. The figure we have is consistent with and in line with other organisations. The average pay of staff at Literature Wales doesn't

exceed £27,000, full-time equivalent, even less so because many of our staff are part-time, and work in Gwynedd and work in Cardiff. We have provided, and we can provide, breakdowns of these to the committee for further scrutiny, but this is, again, one of the many significant errors that we hope will be corrected in due course.

[171] **Hannah Blythyn:** It would be useful if you could provide that information.

[172] **Ms Siencyn:** Yes.

[173] **Hannah Blythyn:** You said you've raised the errors. Have you had a response from them?

[174] **Ms Siencyn:** Nothing.

[175] **Professor Davies:** Nothing at all. I'll just add that that's one of the areas that have impacted on the reputation, because that has been picked up by the media, as well as the governance issue.

[176] **Hannah Blythyn:** That leads me, actually, to my next question quite neatly, picking up on what we've said previously about reputation in terms of partnership working, and I think you also say something about the damaging effect on the fundraising activities. I was wondering if you could expand on that particularly as the review has also stressed their disappointment in your record in attracting funding other than from the arts council.

[177] **Professor Davies:** We are extremely proud of our record. Again, this is under-researched opinion on the part of the panel. We have raised the proportion of funds we get from the private sector and from the third sector by, what's the percentage—123 per cent?

11:15

[178] **Ms Siencyn:** Since our inception, our reliance on core arts council grant has gone down significantly, and is projected to go down. When this report came out, we were in conversations with a very significant potential commercial sponsor for book of the year, and those meetings weren't advanced. We've got no proof, obviously, that this is—. However, having said that, very recently—actually today—it's been announced we're one of two organisations in Wales being given a significant grant by the Jerwood

Foundation to reach out for diversity within our current operations and to employ an individual in a new post from a protected background or economically deprived area. That's being launched at a prestigious event in London today. So, I think, again, we only found out about that last week, and it is reassuring that a major foundation like the Jerwood—. And we did a note in our application about this report. We've been very honest with everybody, and they seem to think, 'No, we believe what's out there—your position on this.' So, I'm hopeful that throughout this common sense will prevail and our reputation will not be damaged too much.

[179] **Professor Davies:** And our fundraising strategy has already exceeded its target for this year, and will do so again next year. So, again, is it too much to ask a Welsh Government report to contain facts?

[180] **Bethan Jenkins:** Lee Waters to finish.

[181] **Lee Waters:** Yes, thank you. It's clear from your evidence that you've got enormous concerns about the process that's followed. My concern is this deflects us from the purpose of the review in the first place. I wonder if you think there are any legitimate criticisms in this report about your performance and whether you've reflected on ways that you can enhance what you do.

[182] **Professor Davies:** The process of reflecting on what we do and seeing whether there is potential to enhance is something that's embedded into Literature Wales anyway, and is not prompted by this report in any way. We cannot continue saying that we are a 'young' company anymore. We were founded in 2011, and as Lleucu said, there was a period where we did have to reinvent ourselves in difficult ways. Arts Council of Wales, who monitor us, are pleased with our progress—absolutely behind us, as you can see from the submissions as far as our strategy going forward is concerned—and therefore, the substantive criticisms in the report we reject utterly.

[183] **Lee Waters:** To be fair, that wasn't my question. My question was: is there any legitimate criticism at all in any of this report?

[184] **Professor Davies:** That's what I've just said: no.

[185] **Lee Waters:** You don't think there's any—. I was just struck that, in this report, it refers to an online survey, where respondents 'referred to a sense of entitlement and self-reverence' from Literature Wales. It also refers to a

review by Arad, where a lack of 'strategic leadership' has been cited. So, there are clearly concerns out there about the performance of Literature Wales, but you as a leadership team don't think that any of them have any merit.

[186] **Ms Siencyn:** I think, if I may, here—. I think these concerns have been noted over the years. The very construction of Literature Wales wasn't wholly a happy one in terms of the Academi turning into Literature Wales and bringing Tŷ Newydd and what would have been at the time the Wales Literature Exchange under its umbrella. There's also the particular issue, which I won't get into too detailed here but I can forward you information, about the relationship of the body the Welsh Academy, which is a writers' organisation, with Literature Wales, which used to be maybe too close, and at the moment we're trying to create more separate bodies but ones that can co-work.

[187] There's a wide range of views about what Literature Wales should be, what it can be, and perhaps we have, in order to pause and self-criticise, moved too fast over the years in changing our agenda and moving our focus, perhaps, from continuing with the same type of programming that Academi used to do over a number of years with quite specialist conferences, for example, to wider engagement initiatives. We're very proud of our work with the Dylan Thomas centenary and with the Roald Dahl centenary, but we're aware of criticisms about our work here—some of them involving us dumbing down, some of them kind of over-egging the pudding a little bit. The only reference to Dylan Thomas in this report is a very derogatory one, when it talks about the importance of Library of Wales, which I agree is a great initiative, in reminding us there's more to Wales than Dylan Thomas.

This is absolute cultural snobbery in action here. When we delivered a year-long programme for Dylan Thomas, we went into schools, we delivered programmes. We knew that the majority of children in a lot of areas of Wales did not know who Dylan Thomas is. If you're an academic and in this world, it might be fine for you to say, 'I'm fed up with Dylan Thomas', but that's your privilege; it's not the privilege of the majority of Wales. Our initiative that year was to get wider engagement and buy-in because his work, whether you like him or not, is world-famous and it belongs to us all. So, we acknowledge that we've lost some support over the years, and we're also in an ongoing process of evaluation of our activity in consultation with partners.

[188] **Professor Davies:** I think that's an important point. We have lost a certain cadre of people because we have strategically made the decision to go in a particular direction that we are absolutely principled in our pursuit of.

[189] **Lee Waters:** Okay. I just want to finally ask about next steps, now. I believe you've met the Cabinet Secretary to discuss the report. What would you like to see next and what's your understanding of what the process now is?

[190] **Professor Davies:** Our understanding is that the Cabinet Secretary has asked the chair of the panel not to shirk his response to our concerns and those of the arts council. We were in a four-way meeting with all involved two weeks ago and were told that a draft of that response from Professor Hughes has been delivered, and that the Cabinet Secretary would see this around about the twentieth, I think, the twentieth of this month. The next steps are—.

[191] **Ms Siencyn:** I'm hopeful that the next steps, that the reaction of the Cabinet Secretary, having seen all the evidence supplied—but we can't specifically say this without Professor Medwin Hughes's response—that, perhaps, he has been misled by the panel, that the recommendations aren't based on sound principles or sound decision making. However, having said that, we're ready and willing to go around the table with the key stakeholders to talk about the sector, to look into the future and to decide what's best for the sector—and by 'sector' I mean literature, the readers, the participants, all these individuals and groups who were never consulted in this particular report—and what's best for this collective, for Wales and beyond, rather than for the individual organisations, and that we come up with joined-up strategy. In fact, we supplied the panel with our thoughts on the future around about July last year, which talked a better-connected sector, which talked about specifically developing high-quality literature for children and young people in Wales and how we can work together. We understand there's a review by Dr Siwan Rosser forthcoming. This is a boon in the English language in the UK and it would be great to replicate that type of enthusiasm here.

[192] **Professor Davies:** And it's extremely interesting, I think, that the recommendations that we made to the panel are parroted back in exactly the same words, using words like 'ecosystem', 'ecology', 'better-connected sector' in those areas of the final recommendations that we can actually sign up to, because we've been arguing for them all the while.

[193] **Bethan Jenkins:** Diolch. Un cwestiwn clou bach sydd gen i: rydych chi wedi siarad ynglŷn â'r ffaith nad yw'r cyngor llyfrau ddim—eich bod chi yn gallu delifro, neu ddylech chi ddelifro, yr hyn sydd gyda chi yn barod. A oes perthynas gyda chi ar hyn o bryd gyda'r cyngor llyfrau? A ydy e'n bositif neu a ydy e'n neddygol? Oherwydd, fel yr ydych chi'n dweud o ran gweithio gyda phobl, rydym ni eisiau cael syniad o'ch perthynas ar y funud gyda nhw.

Bethan Jenkins: Thank you. Just one quick question from me: you've talked about the fact that the books council—that you are able to, or you should be delivering what you have already. Do you have a relationship with the books council at the moment? Is it positive or negative, because, as you say in relation to working with people, we would like to have an idea of your current relationship with them?

[194] **Ms Siencyn:** Mae hwnnw'n gwestiwn arbennig o dda. Yn y gorffennol, mae perthynas agos iawn wedi bod yn cydreddeg nifer o brojectau—er enghraifft Llyfr y Flwyddyn a Bardd Plant Cymru; mae Bardd Plant Cymru yn broject partneriaethol—ac wedi mwynhau perthynas agos fel dau o brif sefydliadau Cymru. Yn anffodus, un o'r pethau mwyaf truenus y mae'r adroddiad yma wedi ei wneud yw ein carfanu ni a chreu rhyw fath o elfen artiffisial o 'ni yn erbyn nhw', ac nid dyna sydd yn mynd i fod er lles nid yn unig y sector llenyddol ond Cymru fel cenedl. Ac rwy'n mawr obeithio, pan awn ni trwy hyn, y bydd y niwed yna yn cael ei oroesi. Yn sicr, rŷm ni'n gwbl barod i eistedd rownd y ford a thrafod yn greadigol ac yn gall yr hyn sydd orau i'r sector i gyd.

Ms Siencyn: That's an excellent question. In the past there's been a very close relationship in jointly running a number of projects, such as book of the year and Bardd Plant Cymru. That is a partnership project, and we've enjoyed a close relationship as two of the main institutions of Wales. Unfortunately, one of the saddest aspect of this report is to put us in two different camps and create this artificial, adversarial 'us against them' aspect, and that's not going to benefit the literature sector or Wales as a nation. And I very much hope, when we get through all of this, that that damage can be overcome, and we are entirely willing to sit around the table and to discuss creatively what is best for the sector as a whole.

[195] **Bethan Jenkins:** Er enghraifft, a ydych chi'n credu eu bod nhw wedi bod yn llobio ar gyfer cymryd rhai o'r

Bethan Jenkins: For example, do you think they have been lobbying to take on some of these responsibilities

dyletswyddau yma oddi wrthyh chi? from yourselves? Have they been—
A ydyn nhw wedi bod yn—

[196] **Ms Siencyn:** O, na—

Ms Siencyn: Oh, no—

[197] **Bethan Jenkins:** Neu a ydych chi'n meddwl mai'r panel ynddo'i hun sydd wedi bod yn rhedeg y lein yma o newid?

Bethan Jenkins: Or do you think that the panel itself is responsible for running this line for change?

[198] **Ms Siencyn:** Mae'n bosib fy mod i'n optimistaidd, ond ni fyddwn i'n credu y bydden nhw wedi gwneud hynny. Mi fyddwn i'n synnu ac yn rhyfeddu petaent wedi bod yn gwneud.

Ms Siencyn: I may be optimistic, but I wouldn't have thought that they would have done that sort of thing. I would be very surprised and amazed if they had done so.

[199] **Yr Athro Davies:** Ond, os caf i ddweud hefyd, Bethan, syndod i ni oedd gweld ymateb y cyngor llyfrau i'r adroddiad pan ddaeth hwnnw mas—hynny yw, yn ei ddisgrifio fe fel adroddiad hollol gynhwysfawr, ac mae hynny'n amlwg yn anghywir.

Professor Davies: But, if I may also say, Bethan, it was a surprise for us to see the response of the books council to the report when it was published, describing it as a very comprehensive report, and that clearly is not accurate.

[200] **Bethan Jenkins:** Iawn, diolch am ddod mewn. Rydym wedi rhedeg dros amser, ac fe fyddwn ni siŵr o fod yn cysylltu â chi gyda'r hyn fyddwn ni'n ei wneud fel pwyllgor yn y dyfodol ar y mater penodol yma. Diolch yn fawr iawn.

Bethan Jenkins: Thank you very much for coming in. We are over time, and I'm sure we will be in touch with you to let you know what we'll be doing as a committee in future in relation to this matter. Thank you.

[201] **Yr Athro Davies:** Diolch.

Professor Davies: Thank you.

[202] **Ms Siencyn:** Diolch.

Ms Siencyn: Thank you.

[203] **Bethan Jenkins:** Fe gawn ni ddwy funud o seibiant, dim mwy. Diolch.

Bethan Jenkins: We'll take a two minute break now, no more. Thank you.

*Gohiriwyd y cyfarfod rhwng 11:25 a 11:29.
The meeting adjourned between 11:25 and 11:29.*

**Adolygiad Annibynnol o Gymorth ar gyfer Cyhoeddi a Llenyddiaeth:
Sesiwn Dystiolaeth 2
Independent Review of Support for Publishing and Literature in Wales:
Evidence Session 2**

[204] **Bethan Jenkins:** Diolch a chroeso nôl i'r Aelodau. Rydym yn symud ymlaen at eitem 4, adolygiad annibynnol o gymorth ar gyfer cyhoeddi a llenyddiaeth, sesiwn dystiolaeth dau. Croeso heddiw i Helgard Krause, sef prif weithredwr Cyngor Llyfrau Cymru, a'r Athro M. Wynn Thomas, sef cadeirydd Cyngor Llyfrau Cymru.

Bethan Jenkins: Thank you and welcome back to Members. We're now moving on to item 4, the independent review of support for publishing and literature in Wales, and this is evidence session two. Welcome today to Helgard Krause, chief executive of the Welsh Books Council, and Professor M. Wynn Thomas, chairman of the Welsh Books Council.

[205] Mae'n siŵr eich bod chi wedi clywed rhan o'r hyn roedd Llenyddiaeth Cymru yn ei ddweud yn gynharach, ond y cwestiwn cyntaf sydd gen i yw eich barn chi ar y broses o'r adolygiad penodol yma, sut wnaethoch chi ymwneud â'r broses yma, ac efallai sylw cychwynnol ar y ffaith fod Llenyddiaeth Cymru wedi gorffen gyda siom tuag atoch chi am ddweud bod yr adroddiad yma'n gynhwysfawr, gan eu bod nhw wedi gweld bod cymaint o broblemau gyda'r adroddiad yma. Beth ydych chi wedi'i weld sydd mor wahanol iddyn nhw yn yr adroddiad yma? Diolch.

I am sure you have heard some of what Literature Wales were telling us earlier on, but my first question now is: can I please have your view of the process of this specific review, and how you were involved with it? And maybe an initial comment from yourselves in relation to how Literature Wales finished by saying that they were disappointed in yourselves for saying that this report was comprehensive, because they saw very many problems related to it. What have you seen that is so different to what they've seen in this particular report?

11:30

[206] **Yr Athro Thomas:** Wel, diolch i

Professor Thomas: Well, thank you

chi, aelodau'r pwyllgor, am y very much, committee members, for gwahoddiad i gynnal sgwrs gyda chi. the invitation to have this conversation with you.

[207] Thank you very much for this invitation to conduct a conversation with you. I very much appreciate it. I don't want to say very much. That would be very boring for you all, and I'd much prefer Helgard, as chief exec, to attend to the nitty-gritty. I suppose, just to address that question of yours, Chairman—Chairwoman—about our response to the inquiry and this report, the discrepancy that you mention seems to me not wholly unexpected. It maybe reflects the different experiences that we, as respective bodies, had of the process. Ours was a perfectly favourable experience, and that's reflected, I suppose, in the tone of the comments in the report about us. It was unsparingly thorough. I spent an hour, an hour and half, in the company of the panel members, and all the difficult questions were asked and I answered them as best I could. But I thought that it was, from our point of view, conducted in a very fair and reasonable and open manner. And I think our comments make it quite clear that we speak for ourselves only when we say of the whole process that we found no grounds for criticising it. I don't think I can say any more than that. I can quite understand that another body might feel differently, particularly given the outcome. But all I can do is to speak for the body that I represent, and be honest with you about our experience of the whole process.

[208] You may want to come back to that, but if I can move on for a minute from that, I'll just say very few remarks by way of a general contextualisation of the discussion that will follow. It was as recently as, I think, two years ago that the predecessor to this committee commissioned a very thoroughgoing review of support of books from Wales. The author was Martin Rolph. And I was involved in that as well, of course, as chair of the Welsh Books Council. Rolph canvassed opinions, as did the Hughes panel, right across the publishing sector, and the conclusions of that report were unambiguous, and they were that Rolph, having considered many different options and permutations—that in his considered opinion there was only one body in Wales capable of sustaining the Welsh publishing industry, and that was the Welsh Books Council. Now that's not to say that Rolph, any more than Hughes, didn't find reason to find fault with the council. It could scarcely have been otherwise, and the objections made were reasonable ones and we've attempted to address them. Hughes, likewise, has had reservations about some aspects of the council's work, and we had, in a sense, anticipated some of those, by the way, because, with Helgard coming in as

the new chief exec, of course, we had a thoroughgoing review of where we stood, and what we had been doing, and we came to conclusions about certain changes that might be beneficial, including, for example, a change of title, better to reflect exactly what it is that we do—that we serve both the cultural language communities of Wales. But anyway, Rolph came to that conclusion, and, broadly speaking, I think it's fair to say, that the Hughes report reached a similar conclusion. Make of that what you will, but it did. And, obviously, we are encouraged and gratified by that.

[209] We have provided you with paperwork, and I think that's pertinent to our discussion because it's important that, hopefully, it's clear to you exactly what we do, and therefore, why it's worth doing, hopefully. And Helgard can take you through all that, because the publishing process—. I've been involved in this world for at least 30 years, in addition to my academic work, and I had a lot to learn. I've still got a lot to learn after 30 years. It's quite a complex process, that interaction of various different elements and bodies. But we have got expertise and experience extensively of dealing with it, and Helgard will take you through that process, perhaps, very briefly, just to make you aware of exactly what's in the papers.

[210] It's because of our independently verified track record of outstanding achievement, based, as I've said, on our in-depth experience of this field that, to come back to the Hughes report, we were able to respond so readily and enthusiastically to its recommendations, taking on board its criticisms, which we're already beginning to address. For example, I'm sure this is going to come up: the whole business of the digital, which excites us all, or bores us, depending on our age, and I need a regular briefing on the advances in that field because they're dizzying, of course, in their rapidity and in their complexity. But we had already come to feel, for example, that the Gwales website of the Welsh Books Council could do with a refreshing, a revisiting. That's something that we need to do. Easier said than done, because we've actually been suffering budget cuts, of course, for the last several years, and, believe you me, addressing issues like the digital world doesn't come cheap. But it's something we'll have to do, and we'll endeavour to do it.

[211] But it's because of the confidence expressed in us, which reflects the confidence that we ourselves possess as a body, a confidence in us as the body capable of delivering across the publishing sector, that we welcome the report and its recommendations, including those that suggest a transfer of a few—only a few—of the duties currently performed by Literature Wales under the auspices of the Welsh Books Council, transferring some of those to

ourselves. Whether that will come about, I don't know, but that's our view. But Helgard, if you allow her the time, will say just a few words about what there is in the paperwork, just to make sure that everybody understands what it is we do.

[212] **Bethan Jenkins:** I'll allow Dawn to come in with her question first and then Helgard can respond in the appropriate manner.

[213] **Dawn Bowden:** I take it you heard some of the evidence that Literature Wales were giving.

[214] **Professor Thomas:** I didn't hear any of it; I've looked at what they've said.

[215] **Dawn Bowden:** You've looked at what they've said, okay. I didn't know whether you were listening earlier. One of the things that they were concerned about was what they perceived as an apparent conflict of interest of some of the members of the review panel. I think they singled out particularly one member. But I just wondered, in general terms, whether that was something that you recognised or that you had any concerns about at all in terms of both, I suppose—well, anyway.

[216] **Professor Thomas:** I'd be lying if I said that my eyebrows didn't rise a little when I saw the panel members. That's no reflection on their capacities, but I could see here or there one or two possible conflicts of interest. I have to tell you, though, that the way the review was conducted satisfied me on that score. I saw no evidence there, and I can't say that the recommendations seem, to me at least, in any way to suggest that that sort of prejudice had biased them. I don't see that any of those recommendations are related to the actual case that they had in mind, to be honest with you.

[217] **Dawn Bowden:** Okay.

[218] **Professor Thomas:** So, I don't know whether that answers your questions—as honestly as I can. But, then, we would all, without a doubt, choose different panel members, you know, to suit ourselves. But there were these—. It's difficult in Wales, isn't it? You tell me who it is who's genuinely independent—

[219] **Dawn Bowden:** It's a small country, yes. [*Laughter.*]

[220] **Professor Thomas:**—got no strings, however widely you look. It's difficult. So, I've got sympathy with it as long as that is contained within reason, and I thought it was.

[221] **Dawn Bowden:** We've got a relatively small pool of people to draw on, haven't we, I suppose? Did that—? Anything you want to add to that?

[222] **Ms Krause:** At the time, I was the director at University of Wales Press—Wales's only academic publisher—and, of course, that did strike me that my then boss, actually, Medwin Hughes, was going to conduct a review into the publishing landscape. Now, they explicitly excluded academic and educational publishing, where, from my point of view, a conflict of interest could have been, from the review, because, obviously, there was University of Wales Press and then there's also Canolfan Peniarth. Both are very much focused on academic and educational publishing and both of those areas were excluded. In terms of the make-up of the panel, I was surprised not to see an actual publisher on that panel. I think that would have made sense to me, but, like Wynn said, it's a very small country and it's difficult to find people with the relevant expertise. Obviously, I was not part of the actual process when the books council gave evidence, because I've only been in post for six months.

[223] **Suzy Davies:** Of course. Yes.

[224] **Ms Krause:** So, I, in fact was—

[225] **Professor Thomas:** And had Professor Hughes known that Helgard was about to jump ship and to join this organisation, he might well have come to a different conclusion in that report. So, it's just as well that it hadn't happened, it seems to me.

[226] **Ms Krause:** In fact, I gave evidence to the online questionnaire. I found myself quoted in the Hughes report because I actually wrote some criticisms of both organisations. I would still own them. Of course, those criticisms that I had then inform what I do with the books council going forward.

[227] **Dawn Bowden:** Can I just ask—? I hope this won't put you in too difficult a situation, but when you said you saw the panel and your eyebrows raised slightly, although you were satisfied that the review was conducted—

[228] **Professor Thomas:** Yes, the conduct of it was proper.

[229] **Dawn Bowden:** Yes, and that the recommendations didn't bear out your concerns. What were your concerns initially when you saw it?

[230] **Professor Thomas:** Similarly, thinking of one case in particular, that person had an association with a press. In some ways, that press, anyway, is very marginal—[*Inaudible.*—]but, nevertheless, on paper, there might appear to be a conflict of interest.

[231] **Dawn Bowden:** The potential, yes.

[232] **Professor Thomas:** I can't stress enough that I don't think that was borne out in the end.

[233] **Dawn Bowden:** Okay. That's fine. All right. Thank you, Chair.

[234] **Bethan Jenkins:** Suzy.

[235] **Suzy Davies:** Yes, just on a point of clarification, you say that the potential or apparent conflict of interest didn't actually have any consequences, and you're satisfied that—

[236] **Professor Thomas:** No, not in our case, anyway. I don't know—

[237] **Suzy Davies:** But can you just confirm that you were only asked questions about the Welsh Books Council?

[238] **Professor Thomas:** Absolutely.

[239] **Suzy Davies:** You weren't asked about other parts of the review.

[240] **Professor Thomas:** No, we weren't. And could I emphasise—?

[241] **Suzy Davies:** So, how can you conclude that it had no effect, if the only part you played in the review—?

[242] **Professor Thomas:** Because it wasn't affecting us, I said. As far as we are concerned, it had no bearing upon the outcome of the review. I can't speak for other bodies. To be honest with you, I don't think it's particularly proper for one public body, as it were, to have at another or to make any sorts of comments upon it.

[243] **Suzy Davies:** No, no. I'm not asking you to—

[244] **Professor Thomas:** That's up to a panel with an overview, if it wants to do that.

[245] **Suzy Davies:** I'm not asking you to, but what I'm trying to get across is, if you look at the reviews—the pie chart—you're one part of the pie; you weren't involved with the other parts of it.

[246] **Professor Thomas:** I wasn't, obviously—

[247] **Suzy Davies:** You were only asked about the Welsh Books Council. That's fine. That's fine.

[248] **Professor Thomas:** My involvement was solely as Chair of the Welsh Books Council, and I spoke only of the books council and its work. I made no comments whatsoever on the large world of books and its multifarious aspects, one or two of which don't relate to the books council. I made no comments on that at all.

[249] **Suzy Davies:** No, that's fine. You've answered my question. Thank you.

[250] **Professor Thomas:** Okay.

[251] **Bethan Jenkins:** Dai Lloyd.

[252] **Dai Lloyd:** Diolch, Gadeirydd. **Dai Lloyd:** Thank you, Chair. Good morning.
Bore da i chi.

[253] **Yr Athro Thomas:** Bore da. **Professor Thomas:** Good morning.

[254] **Dai Lloyd:** Yn nhermau'r **Dai Lloyd:** In terms of the additional
cyfrifoldebau ychwanegol yr ydym responsibilities that we've heard
wedi'u clywed yn yr adolygiad—ac about in the review—and I will quote
rydw i'n mynd i ddyfynnu o'r from the review itself now, because it
adolygiad ei hun rŵan, achos mae'r does say:
adolygiad yn dweud:

[255] 'Wrth ystyried...lefel-uchel o 'In considering...a high-level of
aeddfedrwydd mewn perthynas â'i maturity with regard to its core

swyddogaethau craidd',

functions',

[256] yn y cyngor llyfrau,

in terms of the books council,

[257] 'fod yr amser yn iawn i ystyried cyfrifoldebau ychwanegol i'r Cyngor Llyfrau.'

'the time was right to consider additional responsibilities for the WBC.'

[258] A ydych chi yn cytuno â'r dadansoddiad yna?

Do you agree with that analysis?

[259] **Yr Athro Thomas:** Ydw, achos rwy'n gweld—. Rwyf wedi bod ynghlwm wrth y cyngor llyfrau ers—beth?—15 mlynedd. Roedd fy nghyfraniad i o'r cychwyn gyda'r bwriad o sicrhau ei bod yn datblygu yn gorff gwir genedlaethol. Wrth hynny, rwy'n golygu corff a fyddai'n gwasanaethau dau ddiwylliant Cymru. I'r graddau fod fy ngwaith academiaidd i wedi ymwneud â Chymru, mae wedi bod i'r perwyl yna. Mae wedi bod yn ymdrech i sicrhau datblygiad a thwf y genedl i'r cyfeiriadau hynny. Felly, mae wedi bod yn bleser pur gennyf i i fod yn rhan o ddatblygiad y cyngor llyfrau i fod yn gorff aeddfed, amlochrog o'r fath. Felly, gan taw twf a datblygiad sydd wedi bod yn rhan o'm gweledigaeth i o'r cyngor llyfrau, yr hyn yr oeddwn i'n ei weld yn yr argymhellion hyn oedd cyfle pellach, os mynnwch chi, i ymestyn; ond hefyd, yn fwy na hynny, i ryw raddau, i adolygu a thrwy hynny i addasu'r gwaith rŷm ni'n ei wneud mewn rhai o'r meysydd er mwyn sicrhau, os rhywbeth, y byddai'r corff yn fwy aeddfed a chyflawn eto fel corff gwir

Professor Thomas: Well, yes, because I consider—. I have been involved with the books council for 15 years, and my contribution from the outset had the intention of ensuring that it developed into a truly national organisation. By that I mean a body that serves both cultures of Wales. To the extent that my academic work has related to Wales, that's been its aim. It's been an attempt to ensure the development of the nation in that regard. Therefore, it's been a huge pleasure for me to be part of the development of the Welsh Books Council into a mature, multifaceted body of that kind. As growth and development have been part of my vision for the books council, what I saw in these recommendations was a further opportunity, if you like, to extend, but more than that also, to review and thereby to adapt the work that we do in some of these areas in order to ensure that the body would be yet more mature and a truly national body. That's why I welcomed the recommendations, and, if you look at this, that's the basis of our document that responds to those

genedlaethol. Dyna pam roeddem recommendations.
ni'n eu croesawu nhw, ac, os
edrychwch chi, hwnnw yw sail ein
dogfen ni sy'n ymateb i'r
argymhellion hynny.

11:45

[260] **Dai Lloyd:** Yn dilyn o hynny, a ydydych chi'n credu bod yr arbenigedd gyda chi, fel cyngor llyfrau, i gymryd drosodd y cyfrifoldeb?

Dai Lloyd: Following on from that, do you think you have the expertise as the books council to take over these responsibilities?

[261] **Yr Athro Thomas:** Wel, nid wyf i'n gweld sut allwch chi amau hynny, gyda phob parch. Rŷm ni yn perfformio yn y maes yma a ni sydd yn ei gynnal e. Gyda llaw, mae'n galed, yn enwedig i'r rhai ifanc, sylweddoli—rwy'n eu dysgu nhw bob dydd onid ydw i—y gweddnewidiad sydd wedi bod ym myd llyfrau Cymru. Chreddech chi ddim—pan ddechreuais i mas yn y 1960au o'i gymharu â heddiw, nid yn unig yn y Gymraeg ond yn y Saesneg.

Professor Thomas: Well, with all due respect, I don't see why you would doubt that. We performing in this area and it is us who maintain it. It is difficult, particularly for younger people—I teach young people every day—to understand the transformation that there has been in the books landscape in Wales. You wouldn't believe, from when I started out in the 1960s, how different the situation was to today, not only in Welsh, but in English.

[262] Os caf i hefyd fynd at un peth arall am eiliad, mae'n werth imi sôn fy mod i wedi chwarae fy rhan fach o safbwynt cyfraniad cyngor y celfyddydau i ddatblygiad hwn yn ogystal, achos, yn y 1980au, pwyllgor llên y cyngor celfyddydau oedd y pwyllgor grymusaf o bell, bell ffordd o ran llywio datblygiad y byd llên yng Nghymru. A diolch i weledigaeth y cyfarwyddwr ar y pryd, Meic Stephens, fe alluogodd cyngor y celfyddydau bryd hynny i ddiwydiant ddatblygu yng Nghymru nad oedd yn

If I could also mention that I've played a small part in terms of the contribution of the arts council to this too, because, in the 1980s, the literature committee of the arts council was the most powerful committee by a long chalk in terms of steering the development of literature in Wales and the literature landscape in Wales. Thanks to the vision of the director at the time, Meic Stephens, the arts council at that time enabled an industry to develop in Wales that didn't exist

bod cyn hynny. Nid oedd yna gyhoeddwr Saesneg yn bod yng Nghymru—erioed wedi bod, ac eithrio *one-offs* fel the Druid Press ac yn y blaen, Keidrych Rhys. Nid oedd yna wasg safadwy wedi bod yn cyhoeddi yn y Saesneg yng Nghymru tan i Poetry Wales Press gychwyn—erbyn hyn, Seren Books. Bydd Bethan—dylai hi wybod, achos roedd ei thad hi’n manteisio ar hynny. Fe alluogwyd cenhedlaeth o awduron i ymddangos. Chredech chi ddim: dyna gychwyn gweddnewidiad. Ond roedd hynny ym maes arbenigol llên, i’r fath raddau ag y bod hynny’n bod—y fath greadur yn bod. Roedd e’n faes arbenigol.

prior to that. There was no English-language publisher in Wales; there never had been, apart from some one-offs, such as Druid Press and so on, and Keidrych Rhys. There was no stable press publishing through the medium of English in Wales until Poetry Wales Press started, now Seren Books. Bethan will know about this, because her father was involved in this area. A generation of authors appeared as a result of that. You wouldn’t believe it: it was a transformation. But that was in this specialist area of literature, to the extent that that exists and that such a creature exists. It was a very specialist area.

[263] Cyfraniad y cyngor llyfrau yw ehangu’r maes yna, yn arbennig yn y Saesneg—sicrhau bod yna lyfrau diben—draw am rygbi ar gael, dyn a’i gŵyr, ac am deithio—diolch am hynny—ac am goginio a phob peth dan haul yn y Gymraeg a’r Saesneg. Wel, bois bach, ni fyddech chi wedi breuddwydio am rywbeth tebyg yn y 1980au. So, ydy hynny’n gwneud synnwyr? Dyna pam rwyf i’n cael fy nghyffroi gan unrhyw arwydd bod yna ddatblygiadau pellach ac atgyfnerthu. Gwnaf i orffen ar hynny.

The contribution of the books council is to expand that, particularly through the medium of English—ensuring that there are endless books about rugby and travel available, thankfully, and cookery and all sorts of other things in Welsh and English. Well, you wouldn’t have dreamt of such a situation in the 1980s. So, does that make sense? That is why I am excited by any sign that there would be further developments. I will conclude with that point.

[264] **Bethan Jenkins:** Diolch. Mae diffyg amser gyda ni yn anffodus. Mae’n rhaid inni symud ymlaen. Diolch, Dai. Neil Hamilton.

Bethan Jenkins: Thank you. Time is short, unfortunately. We do have to move on. Thank you, Dai. Neil Hamilton.

[265] **Neil Hamilton:** It’s been suggested that you take on responsibility for the book of the year, for bursaries, for literary events, writers on tour and

provision for children and young people—a substantial increase in function. What would be the impact on you as a council, in the first instance, and perhaps on the entire publishing sector in Wales?

[266] **Professor Thomas:** I think that's a fair question, in the sense that it means a step change. It isn't just an add-on, and we'd have to review any kind of incoming programmes to make sure that they were, as we say these days, suitable for purpose. So, there is no doubt that then we would have to stand back and review what we had been doing and see how we could best fit these new developments in, but also with a sensitivity to their different character in some respects, at least, from what, hitherto, we'd been doing. There's an element of nurturing writers involved, for example, which, hitherto, has not much concerned us, nor should it have done. Our service, as I emphasised at the beginning, is an enabling service. It enables publishers. It enables writers, but it enables writers via publishers. By and large, we don't deal directly with authors, but, in a sense, authors wouldn't exist but for us, quite frankly, because we enable their books to appear.

[267] But this would mean interesting changes for us. It would mean that, in some ways, these developments would reinforce what we were doing. For example, it would allow the better tailoring of bursaries, let's say, to the development of a wealth of writing talent in Wales that was multifaceted; in other words, different sorts of writers, not just one particular kind of writer, but many different kinds of writers. It would enable us to start doing that better than presently we are able to do. But, at the same time, it would mean our moving to a slightly different area. But that is part of the maturing process for us. It's the way that we would see us then as developing into a fully comprehensive national body.

[268] **Neil Hamilton:** Do you think there's any benefit in, kind of, well, I wouldn't say it's a competitive framework that we've got at the minute, but there's an alternative organisation doing—?

[269] **Professor Thomas:** Well, they still exist, you know. It's only certain services that are being removed, so it's not as if we are limiting the—. And, in any case, they're not services, so to speak, that place us in competition with another body. As I say, they're simply—. They still fit within an enabling framework for us.

[270] With regard to the book of the year, by the way, that's a challenge. I mean, I sympathise with Literature Wales. I sympathise with them in lots of

ways, actually, because, believe it or not, I was also in at the beginning of the creation of the organisation that has become Literature Wales. I was one of three or four people involved in that back in 1997, I think it was. And I could tell you about that, because it's relevant, but I won't—

[271] **Bethan Jenkins:** I don't think we have the time, sorry.

[272] **Professor Thomas:** Sorry?

[273] **Bethan Jenkins:** I don't think we have the time today for that, sorry.

[274] **Professor Thomas:** No, no, I could go on. But, book of the year is a challenge. You need a lot of money to do any good with that sort of event, to be honest with you, and Literature Wales has struggled, because over the last few years, they haven't had the money or the resources, or they feel they haven't, to put into it. And, therefore, there's been widespread dissatisfaction—I think it's generally accepted—with the way that it's been done. Well, we don't want to take that over; we don't want to perpetuate the dissatisfaction and we're aware of the challenge that it would be to try and avoid that, but we would do it if we were asked to do it. I said I wasn't going to talk very much—ask Helgard a question.

[275] **Suzy Davies:** I wonder if I could ask my question. These are to Helgard Krause, because they're more operational in nature, effectively. From what we've heard just now, it's not a sort of—how can I say this—certainty in the Welsh Books Council that you want to take all this work on. I would really like to have some sort of clear idea from you about how much of a distraction this might be from the core work of the books council at the moment, and how that's going to affect your financial planning. Because I'm not getting any sniff that bags of money would be coming with any transfer of responsibilities.

[276] **Ms Krause:** It would be a new challenge to take on these schemes, but they're not unfamiliar in their nature: we already run panels that require a certain amount of administration, we have to deal with independent panel members, and those kinds of time frames for submissions and so forth. So, in a way, running bursaries and author tours and mentoring would fall very much into the existing frameworks. I would not be very happy to offer to you or to anyone that we could just absorb it, because over the years—. When I was at the Welsh Books Council 10 years ago, I can tell you that most of the people then were full-time, and many of them have retired since and their

replacements are largely part-time. So, there has been a natural shrinkage, due to budget cuts within the books council, and I can honestly say that there isn't a lot of slack where we could just slot new responsibilities in.

[277] But, in terms of their principal make-up and how these schemes are run, they would just mirror a lot of work that we do already. So, I don't think it's a distraction, as such. I mean, any change in any organisation needs careful planning and implementation. I would expect that, with any transfer, there would be adequate resources transferred, and that includes staff time, but from what I have seen, the sums of money that are involved—we're talking about roughly £100,000 of grant funding for the three schemes and I was able to identify £30,000 for book of the year—they're relatively small sums of money. So, I wouldn't expect an enormous amount of administration to be spent on that. So, in that respect, I don't see a great challenge in implementing it.

[278] I think the greater challenge will be to actually consult with our constituency to find out what they want, because I wouldn't want the books council to make a unilateral decision, saying, 'Well, here's the bursary and here's how the books council is going to run it.' It would need consultation with the sector to find out what it is they wanted, especially if the Welsh Books Council were to run it. So, that would be the more time-intensive process, but because we have extremely good stakeholder relationships in many fields, I think we would get a lot of support for making that happen. Obviously, in my work, I speak to authors, publishers and booksellers daily and I've had a lot of approaches already to say, 'Look, we're really keen for this to happen. We're here to help. Can we do something collaboratively to make this work for us?' As far as the skills set in the books council is concerned, I think you'll be hard pressed to find any organisation like us. I am 100 per cent confident that we will deliver very good outcomes for you, based on what I know from our staff. I've spent over 25 years in the publishing sector, in all sorts of roles. One of the concerns you may have is: what is going to be your relationship with authors? Well, you can't be in the publishing industry and not understand authors. They're complicated, because they're artists.

[279] **Suzy Davies:** Let me ask you about publishers specifically, then, because obviously most companies in Wales are very small, with limited resources themselves. They would be looking to the books council to help them be more entrepreneurial—a point that was picked up in the report—and also just developing the publishing corpus more widely by including,

perhaps, publishers settling here that really don't have an awful lot to do with Wales, but would grow the body of publishers. Are you not concerned that, actually, as a new CEO, obviously with ambitions to change things, those opportunities might get lost because you're going to be asked to take on things that, all right, you say they're not unfamiliar, but aren't actually the day-to-day work of the books council as it is today? 'Will your publishers be losing out if you take on more?' is what I'm asking.

[280] **Ms Krause:** No, they will not. They will absolutely not, because I would not be happy to take on those functions if I had to compromise on any of the services that we're offering. The largest part of what the books council does is of course grants. We dispense £2.4 million-worth of grants every year, with a relatively small team of people. There are only five members of staff dealing with £2.4 million of grants, and that must not be put in any danger. The most challenging fit is book of the year, because literary prizes are run very differently. We would need to look for sponsorship, it would need to be very much connected in with the London media to get the traction, because obviously we're not just looking at books published in Wales, but books with a Welsh theme, so that is a lot of work. That is perhaps why Wynn also mentioned that book of the year is maybe the least seamless fit for us. But, again, I've got experience in fundraising and dealing with big commercial companies. You need tenacity to go after that and you need the right staff to deliver that for you. But, again, it can be done, and I'm confident in my staff, that they will deliver whatever it is we're charged to deliver.

[281] **Suzy Davies:** Should it be done if somebody else is already doing it?

[282] **Ms Krause:** Well, that's not for me to decide. It's for other people to decide.

[283] **Suzy Davies:** Fair enough. Thank you. Thank you, Chair.

[284] **Bethan Jenkins:** I've just got a tiny question before I move on. Suzy was asking about the publishers, and whether they may be compromised, but my question is based on what we had from Literature Wales, saying that they are more than just publishers, that they help to develop the skills of the writers. Do you think there may be—'conflict of interest' aren't the right words—but some form of tension between the fact that you currently work with giving grants to particular publishers and that if an author doesn't come up to the level that that publisher wants, or there's some conflict there, they may not feel comfortable to have those courses or that workshop with you,

because they haven't got that potentially safe space that they have now with Literature Wales, which is separate? I understand, from the perspective of growing up in this world, so just wanting to understand—. At the moment I can see why there is that separation. For the publishers and writers to come together, there may be tensions that you can't even pre-empt at this time.

[285] **Ms Krause:** I can see that it might seem a concern, and there would need to be what I would describe as some Chinese walls around some of those activities, that there's no undue influence. In fact, we have to manage that already, because I can tell you that, if you spoke to the distribution centre and my sales team, the books council would only fund rugby players' biographies, and not fund poetry collections, because they're a little harder to sell. So, in order for our sales staff and the commercial drivers of the distribution centre not to influence the grant-giving process, we have to have some very, very clear boundaries about information and how it is shared or not shared, rather, panel members, and so forth. So, I would apply the same principles of those Chinese walls.

12:00

[286] I also think that publishers would recognise that writers need artistic freedom and space to develop, especially when we're talking about emerging talent. And I think they would probably welcome the fact that the books council, in whom they have a lot of trust, with whom they've had close dealings, would actually take care of that process and nurture that, because let's not forget they don't exist without writers—they only exist because of writers—and they have an intrinsic interest in new talent coming up. I think also we need to acknowledge it's not just about publishers; this is about other forms of writing—script writing, writing for games, and developing those areas as well. So, I don't think it would be necessarily such a conflict of interest. It's how you handle it and how you implement it that would be key, but we're very familiar with that already.

[287] **Bethan Jenkins:** Lee Waters.

[288] **Lee Waters:** Thank you. I'm going to ask Helgard Krause a question in a personal capacity first. You said at the beginning that you'd made critical submissions to the review before you'd taken this role. The report that was eventually published, did it paint a picture that you recognised?

[289] **Ms Krause:** Yes, in both good and bad ways. I recognised that there's a

lot of people with lots of personal opinions out there and some of them I would not agree with, but everybody is entitled to an opinion. I had an opinion; for example, my opinion was that the books council really needed to up its game on its digital presentation. Wynn will forgive me for being so blunt, but it's not a particularly pleasurable website to use, and I would like that changed.

[290] I've obviously been on both sides. I've been a publisher, now I'm in this organisation and, yes, for the most part, I recognise that the criticisms that were made of us—I speak for the books council—were fair, I thought, for the most part. There are some that are downright bonkers, but that's another matter. Most of them were fair and some of the criticisms made of other organisations were criticisms I had heard in my capacity as a publisher.

[291] **Lee Waters:** What were the unfair criticisms of the books council?

[292] **Ms Krause:** I'll give you one that made me laugh, that Welsh bookshops don't see reps—you saw from the paperwork that they visited 2,300 or had 2,300 contact times; or that schools don't see schools officers—well, as you've seen from the paperwork that's blatantly not true; or that the books council is an organisation that is only concentrating on the Welsh language, which is blatantly not true. So, there are some observations that are personal opinion that I would disagree with.

[293] **Lee Waters:** And the fair criticisms?

[294] **Ms Krause:** The digital engagement. I think there is also a weighting towards the benefits of a programme publisher versus individual book applications, but that makes sense if you're looking at grant in aid to individual bodies. I think that the marketing could be stepped up a little bit—that was one of the criticisms that I had—and that we need to engage more with international markets, and by that I include England, actually, and how we deal with that monster that's next door that is the English publishing industry. I do think there is work to be done, absolutely.

[295] **Lee Waters:** I was struck by Professor Thomas's opening statement, where he seemed to think that the report gave the books council a clean bill of health, but from my reading of the recommendations there's some profound implied criticisms of the books council, of changes you'd need to make in order to be able to adapt. So, just a couple of them. You need to develop a refreshed, wide-ranging mission; you need to review the capacity

and nature of the executive and the governance arrangements, which implies the current ones aren't good enough; you need to develop different levels of risk appetite, which is a fairly fundamental criticism, it seems to me; you need to show more evidence of innovation and risk-taking; and you've mentioned the digital strategy. Now, obviously, there are questions for us to ask the report author about how he reached these conclusions, but it does seem to me that far from being a clean bill of health, there are some pretty significant hurdles you'd need to overcome to be fit for purpose to deliver the sorts of things this report recommends you should.

[296] **Ms Krause:** Any organisation would have to really reconsider some of those aspects if it was to take on new and additional responsibilities, but like I said before, I'm confident that we can. I'm relatively new. Obviously, in that sense, I'm untested, but I certainly come with a deep background in the field, and that does not just include publishing—it means literature and the whole landscape as a whole, because I spend a good time of my life actually selling rights, where you actually engage editors and translators in order to do that as well.

[297] **Lee Waters:** I'm aware of your considerable track record. I guess my question is about the DNA of the organisation. Because the report does say that

[298] 'the WBC was generally risk-averse and hard funding decisions at times have been avoided.'

[299] Is this the type of culture that's going to be able to adapt to the challenges laid out here?

[300] **Ms Krause:** Well, they've decided to give a job to a German, so I think maybe they're up for making some changes. I'm certainly not the sort of person who wants to preside over the same organisation that it was. I think my predecessors have done a brilliant job so far, and I'm going to take it into the future and take the next steps that need to be taken. I do think some of the recommendations make sense, and, in fact, they were things we discussed in my interview—things that I personally brought up, and, hopefully, the fact that the books council decided to appoint me would indicate that they want those changes to be made.

[301] **Lee Waters:** But your chair's just told us that your digital strategy, which you identified as a weakness—. He himself, he said, is not familiar with

changes in the digital landscape—this is the chair of your organisation. And he's also said that, in the context of declining budgets, it's very difficult to find the resource to be able to do that in the first place. So, that seems to me a fairly major challenge.

[302] **Ms Krause:** Of course, finance is always a challenge. There's no question. And—

[303] **Lee Waters:** Well, not just finance, but leadership as well, with respect.

[304] **Mr Krause:** Of course, but—

[305] **Lee Waters:** If you've got the board themselves saying that they're not best equipped to deal with this changing landscape, that seems to me a bit of a problem.

[306] **Professor Thomas:** Did we say that?

[307] **Lee Waters:** You said that you need briefing.

[308] **Professor Thomas:** I'm not the board.

[309] **Lee Waters:** No, indeed, but you're the leader of the board, and you've been in position for 15 years, I believe you've said.

[310] **Professor Thomas:** I said that it was a challenging field, one that was rapidly developing. You wouldn't deny that, although you're much younger than I am, anyway.

[311] **Lee Waters:** No, I'm asking does the board have the skill set necessary—

[312] **Professor Thomas:** And the answer is, 'Yes, it does'.

[313] **Lee Waters:** And what evidence is there for that?

[314] **Professor Thomas:** Well—. Do you want to talk about your own experience to start?

[315] **Ms Krause:** Well—

[316] **Lee Waters:** Well, with respect, you've just told me the board is well placed. Your chief executive has said in her interview—she said that the organisation clearly is not performing as it should in this regard. The panel has said that it's not performing well in this regard. You disagree with that, so I just wonder how you could evidence that.

[317] **Professor Thomas:** What do you mean by the board of the Welsh Books Council? What are we talking about?

[318] **Lee Waters:** What's the group that you chair called?

[319] **Professor Thomas:** Well, we're a charitable organisation—

[320] **Lee Waters:** The governance—. The leadership board.

[321] **Professor Thomas:** —we've got a board of trustees, and—

[322] **Lee Waters:** The board of trustees.

[323] **Professor Thomas:** The board of trustees is small, a tight group. With regard to those who have significant input into the way in which the Welsh Books Council is run, which I take it is what you mean, yes, I'm chair of that, then we have expertise there from, for example, the National Library of Wales, which has extensive experience of digitalisation. It so happens that one of the people who lead on that in the National Library of Wales is now a member of staff of the Welsh Books Council, for example. We have, of course, connections with the library service across Wales, and we ensure that what we provide digitally meshes with what they do. We've got, of course, experience of schools via the representatives of schools on the board. We've also got secular members who've got experience, including those with close connections with the publishing industry, and who therefore know what the struggles are facing that. And, additionally, we are subject to external review—

[324] **Lee Waters:** With respect, those are all very different skills to understanding the changing digital nature of the landscape and marketing in that landscape.

[325] **Professor Thomas:** Well, not really. If you're talking about what the national library has had to do, or what the library service in Wales has had to do, or what publishers have had to do—. I mean, what else are you talking

about? And, by the way, you shouldn't get too excited about the digital world. Typically, in Wales, we catch up with last year's news. If you look at this year's news, and Helgard can put details to this, actually, the impact of the digital world, let's say through e-books or through apps, is now declining. There's actually been a decline in the number of e-book sales globally. There's actually been a decline in terms of app uptake locally. So, I wouldn't get too excited and think that you're ahead of the game by talking endlessly about digital. It's a very important dimension of what we do, and we shouldn't underestimate it, but—

[326] **Bethan Jenkins:** I think we'll have to—. If Members want more information about your digital work, we going to have to ask you to write in to us, because I'm running out of time severely. So, thank you for trying to answer the question, but we'll write to you. Or, if you can give us information additionally, that would be helpful. Jeremy Miles.

[327] **Jeremy Miles:** Thank you, Chair. Given that exchange, I'm struck by the tone of breathless excitement with which you seem to have embraced the conclusions of the report. You don't just welcome the report; you enthusiastically welcome a 'thoroughgoing report', and the services to be transferred 'dovetail perfectly', and the sector has 'very strong support' for it, and your own board 'very warmly' endorses it—perhaps unsurprisingly. It has the feel to me of an organisation circling the wagons, really. There's an opportunity here. It's a windfall for you. And I just wonder, given the scrupulously fair nature of the process that you've described from your experience, whether you'd be quite so enthusiastic about it if it concluded something that was not so obviously in your interests.

[328] **Ms Krause:** Well, obviously, it's always pleasing when an outcome goes to some extent in your favour. I would say, though, that it's worth remembering that we're talking about a very small sum of money in terms of the schemes that are administered that are part of the remit of Literature Wales at the moment. They are in receipt of £1.2 million-worth of funding, and, these schemes—from what I've been able to work out, we are talking about a pure funding sum of £130,000. So—

[329] **Jeremy Miles:** It's not so much the money, it's just the tone with which the response was given indicates a sort of wholesale enthusiasm for every aspect of the report, including some pretty trenchant criticisms of other organisations you might call partners in the sector, and there doesn't seem to be any reflection on that in your response.

[330] **Ms Krause:** Well, our role is to represent our organisation, and—I think I've said that before—I have every confidence that we can deliver that, and it's pleasing to be given new and added responsibility. The Welsh Books Council for a while now has done very well what it is meant to be doing, and it's a mature organisation, and any organisation would welcome additional responsibilities, and I suppose that it reflects that; it reflects that we are ready—we feel that we are ready to take on new responsibilities—and because what was suggested here makes sense. Now, if, for example, a suggestion had been made that we were to start running large literary festivals, the response would have been very different.

[331] **Jeremy Miles:** Okay, thank you.

[332] **Bethan Jenkins:** Diolch. Y **Bethan Jenkins:** Thank you. The final cwestiwn olaf nawr, gan Hannah. question is from Hannah.

[333] **Hannah Blythyn:** Thanks, Chair. Just following on from what my colleague Jeremy's just said, and looking forward now, following this report, have you had any follow-up communications with the Cabinet Secretary regarding any of the issues raised or any of the recommendations?

[334] **Ms Krause:** Do you want me to answer that? We've had a meeting on 1 September with civil servants, the Arts Council of Wales, and Literature Wales, at which we discussed the 'what if' scenarios: so, what are the implications if those functions were to be transferred, which are the problem areas, the aspects that could potentially be difficult or holding up the process? We have not met with the Cabinet Secretary himself on that point, only civil servants and the other two organisations involved.

[335] **Hannah Blythyn:** And, finally, where does the sector go from here?

[336] **Ms Krause:** That's a big question. Obviously, I feel quite strongly that decisions ought to be made, whatever these decisions are. Obviously, we will work with whatever the decisions are and we'll do our best to deliver with whatever we are charged with. If it turns out that there's nothing for the books council to add to its services, then that's also a situation we will deal with. I think, in terms of the sector, there will be a sense of, 'Okay, we've waited a long time for this review and a lot of debate has been had, and we need to see something'. That's certainly the sense I get from all people involved in that field. So, it would be good if this could reach a conclusion

sometime soon.

[337] **Bethan Jenkins:** Diolch yn fawr iawn i chi'ch dau am ddod i mewn i roi tystiolaeth. Byddwn ni'n cadw mewn cysylltiad, ac rwy'n siŵr y byddwch yn gweld yr hyn yr ydym ni'n ei wneud yn hynny o beth. Ond diolch yn fawr iawn am ddod i mewn atom heddiw.

Bethan Jenkins: Thank you very much to the two of you for coming in to give us evidence. We will stay in touch with you, and I'm sure you will follow what we're doing with regard to this inquiry. But thank you very much for coming in today.

12:15

Papurau i'w Nodi Papers to Note

[338] **Bethan Jenkins:** Symud ymlaen yn glou at eitem 5, papurau i'w nodi—5.1, adolygiad annibynnol o gymorth ar gyfer cyhoeddi a llenyddiaeth, tystiolaeth ychwanegol, wedyn, papur 5.2, gohebiaeth gan yr Adran Materion Digidol, Diwylliant, y Cyfryngau a Chwaraeon ar ddyfodol S4C. A oes unrhyw sylwadau ar y llythyr hwnnw yn benodol? Na. Wedyn, papur gan yr Ysgrifennydd Cabinet dros yr Economi a'r Seilwaith ynghylch adolygiad Thurley—yr unig beth yr oeddwn i'n mynd i ofyn i Aelodau o ran hynny o beth oedd os byddem ni'n gallu gofyn i'r Ysgrifennydd am gopi llawn o'r adroddiad. Dim ond yr *executive summary* sydd gyda ni fel Aelodau ac rwy'n credu y bydd yn ein helpu ni i allu gweld yr holl beth. Ac wedyn papur 5.4, newyddiaduraeth newyddion yng Nghymru, tystiolaeth ychwanegol: a oes unrhyw bwynt yr hoffai Aelodau ei wneud? Na. So,

Bethan Jenkins: Moving on then to item 5, papers to note—5.1, the independent review of support for publishing and literature in Wales, additional evidence, then, paper 5.2, correspondence from the Department for Digital, Culture, Media and Sport on the future of S4C. Are there any comments on that letter specifically? No. A paper from the Cabinet Secretary for the Economy and Infrastructure regarding the Thurley review—the only thing that I wanted to ask Members in relation to that was could we perhaps ask the Secretary for a full copy of the report because we've only had the executive summary, so I think it would be helpful for us to see the entire report. Then paper 5.4, news journalism in Wales, additional evidence: any comments on that? No. Moving on then to item—. You are happy to note those.

felly, symud ymlaen at eitem—. Rŷch
chi'n hapus i nodi'r rheini, felly.

12:16

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd
o'r Cyfarfod**
**Motion under Standing Order 17.42 to Resolve to Exclude the Public
from the Meeting**

Cynnig:

Motion:

bod y pwyllgor yn penderfynu gwahardd y cyhoedd o'r cyfarfod yn unol â Rheol Sefydlog 17.42(vi).

that the committee resolves to exclude the public from the meeting in accordance with Standing Order 17.42(vi).

Cynigiwyd y cynnig.

Motion moved.

[339] **Bethan Jenkins:** Eitem 6, cynnig o dan Reol Sefydlog 17.42 i wahardd y cyhoedd o'r cyfarfod am weddill y cyfarfod: a ydy pawb yn hapus? Diolch yn fawr iawn.

Bethan Jenkins: Item 6, motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business. Is everyone happy? Thank you very much.

Derbyniwyd y cynnig.

Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 12:16.
The public part of the meeting ended at 12:16.