

## Introduction

1. Teledwyr Annibynnol Cymru is the trade association representing the TV production sector in Wales. The sector consists of around 40 companies making professional television content for S4C and BBC Wales with many also making productions for the UK PSB networks (BBC, Channel 4, ITV, and Channel 5) and cable and satellite broadcasters. Our members are also involved in international co-productions, and sell programmes and formats abroad.
2. Figures from 2015 indicated that Wales hosts 5,300 creative businesses, generating a turnover of over £2.1 billion annually, and employing over 49,000 people.<sup>1</sup> There is great potential to grow this industry further, but it requires a joined-up strategy, starting with the education system and running through ongoing strategic support to creative business in Wales.
3. It is crucial that this support is well-targeted and encourages a production sector that is truly home-grown in terms of its roots in the nation and its approach to skills development and employment.
4. We therefore welcome the Committee's decision to look into support for film and TV production in Wales and hope the Committee finds the following points of interest.

To achieve clarity on the Welsh Government's policy aims for funding film and major television production in Wales, and transparency as to why and how decisions are made in this area

5. There is an experienced Welsh Government Media Policy team, informing the work of more than one department. This team has made itself available to TAC to discuss key issues, which we welcome. Nevertheless we would welcome further opportunity for TAC and other organisations to formally contribute to and inform the Welsh Government's strategy.

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<sup>1</sup> Figures quoted from: Light Springs through the Dark: A Vision for Culture in Wales. Ken Skates AM – Cabinet Secretary for Economy and Infrastructure, December 2016, p6

6. Previously, the Welsh Government has made use of the Creative Industries Sector Panel<sup>2</sup> and Media Investment Panel<sup>3</sup> but in the absence of recent public statements, the extent as to which these panels are still active and still advising on Welsh Government investments is not entirely clear.

7. There had also been plans for a new advisory forum. The former Minister for Lifelong Learning and Welsh Language said in June 2016: “there are key decisions to be taken relating to broadcasting and regulatory arrangements. With this in mind, the Welsh Government will establish a new independent media forum for Wales.”<sup>4</sup>

8. This forum was also mentioned in a Memorandum<sup>5</sup> to the Committee from the Cabinet Secretary for Economy and Infrastructure in November 2016: “The Welsh Government’s Media Forum will consider a number of issues, including the significant challenges facing the media industry in Wales. It is important that we have independent voices that speak with authority, with knowledge, and speak openly about the advice that they provide to the Welsh Government – advice which we will consider seriously as we develop further policy on media and broadcasting matters.”

9. TAC agreed with the Government’s rationale and regularly enquired with the Welsh Government as to progress on the forum’s precise remit and proposed membership. However, no real plan was forthcoming, and TAC’s understanding is that there is no longer an intention to set up this forum. Given this, clarity is needed on how the Welsh Government will ensure it has industry insight, to best design its future media industry strategy.

10. There could be more clarity on where the responsibility chiefly lies for creative industries policy in the Welsh Government. At various times, different Welsh Government ministers have taken the lead on matters relating to the creative and

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<sup>2</sup> <http://gov.wales/topics/businessandconomy/our-priority-sectors/creative-industries/CreativeIndustriesSectorPanel/?lang=en>

<sup>3</sup> <http://gov.wales/topics/businessandconomy/our-priority-sectors/creative-industries/media-investment-panel/?lang=en>

<sup>4</sup> Broadcasting in Wales. Alun Davies AM. Minister for Lifelong Learning and Welsh Language. National Assembly of Wales Record of Proceedings, Statement 6, 21 June 2016

<sup>5</sup> Memorandum on the Culture Draft Budget Proposals for 2017–18. Submitted by the Cabinet Secretary for Economy and Infrastructure to the Culture, Welsh Language and Communications Committee. 2 November 2016

media industries, and sometimes making combined statements such as that in November 2017.<sup>6</sup>

11. We would also like to see more clarity on the various sources of available Welsh Government production funding, if only to highlight the differences between the Media Investment Budget and other methods of production funding such as Repayable Business Finance.

12. Lastly, TAC supports the Independent Review of S4C's recommendation that: "S4C should establish a language partnership with the Welsh Government and others to help deliver the Welsh Government's commitment to reach 1 million Welsh language speakers by 2050."<sup>7</sup> As the liaison for the sector which makes almost all of S4C's commissioned content, TAC will look to play its part in this.

**The support given by the Welsh Government to develop the film and television industries in Wales including:**

- Economic impact, and how this is spread across Wales
- Cultural impact, including the Welsh language
- Value for money

13. The Welsh Government's main strategy has appeared to be to invest significantly in a small number of major projects, to attract external companies to set up new facilities in Wales. However, it is not clear how much genuine growth and long-term employment has been delivered. Any benefits are also fairly localised, with the most prominent two examples, Bad Wolf and Pinewood Wales, being based in Cardiff. There is no visible spread of activity across the rest of Wales.

14. The Pinewood Wales investment was made on the basis of a certain level of jobs being created. Our understanding is that the actual number of jobs has fallen significantly short of that target, with the BBC reporting that fewer than 50 people were working at the site as of March 2017<sup>8</sup>. The Committee may wish to establish

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<sup>6</sup> Written Statement – Update on Creative Industries in Wales. Ken Skates, Cabinet Secretary for Economy and Transport and Lord Dafydd Elis-Thomas, Minister for Culture, Tourism and Sport. Welsh Government November 15 2017

<sup>7</sup> Building an S4C for the Future: An independent review. Euryng Ogwen Williams, December 2017, p22

<sup>8</sup> Film studio Pinewood Wales paid no rent for two years. BBC News, 29 August 2018. See: <http://www.bbc.co.uk/news/uk-wales-politics-41052929> Accessed 6 April 2018

whether or not the Welsh Government has the ability to seek repayment of public funds, as part of its contract with Pinewood.

15. In relation to the Welsh Government's £4m investment in the company Bad Wolf: "The Welsh Government will be concerned not to repeat the headlines associated with its other studio investment in Pinewood Wales."<sup>9</sup> To ensure this is the case, a better system is required to report on: the rationale for these investments; what returns have been made; and any wider sector benefits that have resulted from this spend. This could be in the form of an annual investment report, including progress reports and targets achieved. The Welsh Government should have clearly defined processes to account for how this money is spent.

16. Overall more work could be done to establish a more joined-up approach to its investment in creative industries in Wales. Whilst a company such as Bad Wolf has provided work for specialist production service support companies, the creative and commercial skills and benefits are not necessarily shared with the wider production community in Wales.

17. Government support should extend both to non-home-grown companies with a long-term commitment to the nation and, crucially, to develop production companies already firmly rooted in Wales, but with ambitions that extend beyond.

18. Home-grown production companies, already established and viable, would greatly welcome even a fraction of the investment made in outside companies in order to enable them to raise their businesses to the next level. Many TV production companies in Wales begin with commissions for Wales-based broadcasters. Increasingly, these companies have ambitions to present their talents, ideas and perspectives in front of a wider audience, through the UK TV networks and further afield via co-productions and international distribution.

19. Any step to increase production capacity in Wales should not adversely affect the current market. For example, in its response to the Independent S4C Review report's proposal that S4C's digital hub should include some in-house production, the UK Government rightly says this: "should be developed with careful

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<sup>9</sup> 2017 in Review: Studios. Broadcast, 8 December 2017, p15

consideration of the impact on the vibrant Welsh independent production sector which already produces high quality award-winning content.”<sup>10</sup>

20. In December 2016 the Cabinet Secretary for Economy and Infrastructure produced ‘A Vision for Culture in Wales’. On television, the document said: “Looking ahead, we should press for more and better content and programming made for Wales, in Wales and about all aspects of Welsh life, including our culture and heritage.”<sup>11</sup>

21. TAC has been working hard to achieve this aim, by encouraging UK television broadcasting networks to spend more time in Wales, getting to know the production sector, and specifically the unique stories, ideas, talent, locations and perspectives it has to offer. In this, we have received some support from the UK Wales Office. TAC is also discussing with the UK Wales Office and UK Department for International Trade how they can further support the sector in Wales.

22. The 2016 ‘Vision’ document also stated: “we plan to establish ‘Creative Wales’ to support the creative industries; this new body will sustain at least 850 jobs and £40 million a year in production expenditure. We will help recipients of start-up and entrepreneurship support to operate within shared creative spaces and promote closer collaboration with the education sector to ensure a constant pipeline of skills to boost the growth of the creative sector”<sup>12</sup>. It is not clear to TAC what has happened to this ‘Creative Wales’<sup>13</sup> initiative and we would again welcome clarity on whether this policy is intended to be carried forward.

23. It would be beneficial to establish a fund which is designed to allow companies to boost their ability to research and develop ideas to take to the UK networks, as well as a coherent long-term exercise to promote the Welsh sector to the UK broadcast networks on a sustained basis, to allow those networks no excuse in failing to properly consider what the sector has to offer.

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<sup>10</sup> Government response to the S4C independent review: ‘Building an S4C for the future’, Department for Digital, Culture, Media & Sport, 29 March 2018, p4

<sup>11</sup> ‘Light Springs through the Dark: A Vision for Culture in Wales’, Ken Skates AM – Cabinet Secretary for Economy and Infrastructure, December 2016,

<sup>12</sup> ‘Light Springs through the Dark: A Vision for Culture in Wales’, Ken Skates AM – Cabinet Secretary for Economy and Infrastructure, December 2016, p7

<sup>13</sup> Not to be confused with Arts Council Wales’ ‘Creative Wales’ Awards – see:

<http://www.arts.wales/arts-in-wales/creative-wales>

24. An upcoming opportunity for the Welsh Government to work with the sector will be the process of bidding for one of the new out-of-London hubs, announced by Channel 4 as part of its '4 All the UK' strategy.<sup>14</sup> TAC is looking to support a bid for one of the hubs to be based in Wales, and will aim to work with the Welsh Government and other stakeholders to achieve a successful bid.

25. Channel 4, like S4C, does not produce its own content. Its new commitments include spending at least half of its content budget in the nations and regions by 2023. Thus the fact that Wales has a wide range of home-grown production companies will, we believe, be an important factor for the success of any such bid.

### How support for the sector may be affected by the Welsh Government's new Economic Action Plan

26. The Welsh Government's Economic Action Plan says that "Since 2009, our approach has been to support individual sectors, many of which like creative industries ... have become huge success stories."<sup>15</sup> It is true that a few companies are increasing their exports and network commissions, but TAC's argument is that a coherent plan of targeted Government assistance could help take more production businesses in Wales to the next level.

27. The Plan sets out an 'Economic Contract' with business, which applies only to direct funding from the Welsh Government, and will require businesses seeking investment to include various factors in their business plan as a 'minimum requirement'. One of these is "Growth potential (measured for example, by contribution to employment, productivity, or multiplier effects through the supply chain)."<sup>16</sup>

28. TAC hopes this will be applied rigorously but proportionately, i.e. the number of new jobs should be in relation to the level of investment, and that the 'growth potential' must be significant enough to warrant investment.

29. The Economic Plan states that business proposals must also meet one or more specified 'Calls to Action'. Creative businesses can certainly satisfy some of these,

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<sup>14</sup> See: <http://www.channel4.com/info/press/news/channel-4-launches-4-all-the-uk>

<sup>15</sup> Prosperity for All: economic action plan. Welsh Government, December 2017, pii

<sup>16</sup> Prosperity for All: economic action plan. Welsh Government, December 2017, p10

including 'Exports and Trade, and High Quality Employment' and 'Skills Development and Fair Work'.<sup>17</sup>

To investigate how Ffilm Cymru Wales, the BFI and others support the sector, and how this work complements the work of the Welsh Government in this area

30. Ffilm Cymru Wales and the BFI mainly support feature films, short films, animation and feature length documentaries. While perhaps not a natural partner for some independent production companies in Wales making television and digital content, TAC members that have received funding have spoken highly of the support, including the added value over and above the financial help itself. It is likely that several projects may not have got begun without FfCW/BFI assistance, including development money which is increasingly rarely given by broadcasters.

31. The UK Government has asked the BFI to administer the new public service contestable fund. This will distribute around £60m over a three-year period, to enable the creation of more PSB content in under-served genres. The UK Department for Digital, Culture, Media & Sport (DCMS) consulted on the fund last year, and its follow-up document revealed "strongest support for children's content, followed by nations and regions, arts and classical music, and diversity content."<sup>18</sup>

32. As a result, the DCMS said the focus of the fund will be on children's TV, with the nations and regions one of the criteria by which bids for content to be funded. It also stated that part of the BFI's work would be to assess "whether indigenous regional language content could be considered eligible as part of the nations and regions criteria."<sup>19</sup> The detail of the process is still being decided, and TAC is liaising with the DCMS and the BFI to ensure the process is as accessible as possible for producers in Wales to submit bids for the fund.

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<sup>17</sup> Prosperity for All: economic action plan. Welsh Government, December 2017, p11

<sup>18</sup> Public Service Broadcasting Contestable Fund: Government Response. DCMS 30 December 2017, p6

<sup>19</sup> Public Service Broadcasting Contestable Fund: Government Response. DCMS 30 December 2017, p9

## The support given to develop skills and address skills shortages in the industry, whether there is sufficient data to map existing skills

33. Since Cyfle, the Welsh media training agency, closed in 2015<sup>20</sup>, with Skillset Cymru following in 2016, there has been a serious gap in training provision for the production sector in Wales. Technical courses are offered by bodies such as CULT Cymru (part of BECTU) to freelancers and others. However, there is a pressing need for continuing professional development (CPD), which is crucial to future skills for experienced staff, and also courses in the production process, essential for attracting newcomers to the industry on an ongoing basis.

34. To address this gap in skills provision, S4C committed in 2017 to supporting TAC to run a co-ordinated training programme across the sector. TAC has submitted a training plan and budget for this programme.

35. TAC has pressed ahead with organising training, and since May 2017 has run four courses in Safeguarding Children in the Media (with the NSPCC), and two Health and Safety courses (with 1st Option), in Cardiff and Caernarfon, training over 70 delegates. We are now in the process of rolling out a comprehensive strategy in line with members' priorities.

36. For Wales' creative sector to continue to grow, we need a greater supply of young people coming through the education system who are enthusiastic about the wide range of careers which the creative industries has to offer. We therefore welcome the Welsh Government having 'expressive arts' as one of its curriculum's six 'Areas of Learning and Experience'<sup>21</sup>. This contrasts well with England, where creative industries are concerned that the curriculum focusses on 'STEM'<sup>22</sup> to the detriment of arts subjects<sup>23</sup>.

37. In autumn 2017 the Welsh Government updated its education plans, including the ambition that by 2021, schools should be "vibrant, inclusive, open, connected,

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<sup>20</sup> '[Media training provider Cyfle to close with loss of four jobs](#)', BBC News online, accessed 9 April 2018.

<sup>21</sup> A curriculum for Wales – a curriculum for life. Welsh Government, October 2015, p10

<sup>22</sup> Science, Technology, Engineering and Maths

<sup>23</sup> See: 'Devastating' decline of arts in schools surges on. Arts Professional, 22 June 2017.

<https://www.artsprofessional.co.uk/news/devastating-decline-arts-schools-surges> accessed 8 April 2018

creative community-based learning organisations, active in wider networks.”<sup>24</sup>

Local production companies can provide real-life local role creative career models for young people: another reason for the Welsh Government to focus its investment on sustaining an environment which supports a network of production companies spread across Wales.

38. On this note the UK Government’s recently-published Creative Industries Sector Deal<sup>25</sup> confirmed that funding will be made available for a UK-wide Creative Careers Campaign, to be led by the Creative Industries Federation<sup>26</sup>, of which TAC is a member. TAC will be liaising with the Federation on how it intends to take its campaign to Wales, encouraging more young people to take up careers across the breadth of skills required in the media production sector.

39. There is currently not sufficient data on the existing skills base, but TAC is collating survey data from members to build a database.

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<sup>24</sup> Education in Wales: Our national mission, Action plan 2017–21. Welsh Government, September 2017, p11

<sup>25</sup> See: <https://www.gov.uk/government/news/creative-industries-sector-deal-launched>

<sup>26</sup> See: <https://www.creativeindustriesfederation.com/>