



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](#)

30/03/2017

[Agenda'r Cyfarfod](#)  
[Meeting Agenda](#)

[Trawsgrifiadau'r Pwyllgor](#)  
[Committee Transcripts](#)

**Cynnwys**  
**Contents**

- 4 Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau  
Introductions, Apologies, Substitutions and Declarations of Interest
- 5 Dyfodol S4C—Sesiwn Dystiolaeth 5  
The Future of S4C—Evidence Session 5
- 34 Dyfodol S4C—Sesiwn Dystiolaeth 6  
The Future of S4C—Evidence Session 6
- 59 Papurau i'w Nodi  
Papers to Note
- 61 Dyfodol S4C—Sesiwn Dystiolaeth 7  
The Future of S4C—Evidence Session 7
- 85 Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd  
o'r Cyfarfod ar Gyfer Eitem 7  
Motion under Standing Order 17.42 to Resolve to Exclude the Public  
from the Meeting for Item 7

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 dystiolaeth, 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 <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Dawn Bowden <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Suzy Davies <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Ceidwadwyr Cymreig Welsh Conservatives
Neil Hamilton <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	UKIP Cymru UKIP Wales
Bethan Jenkins <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Dai Lloyd <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Plaid Cymru The Party of Wales
Jeremy Miles <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Lee Waters <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour

**Eraill yn bresennol**  
**Others in attendance**

David Donovan	Swyddog Cenedlaethol Cymru, BECTU Cymru National Officer for Wales, BECTU Wales
Siân Gale	Cadeirydd Cangen Llawrydd De Cymru, BECTU Cymru Chair, South Wales Freelance Branch, BECTU Wales
Ron Jones	Cadeirydd Gweithredol, Grŵp Tinopolis Executive Chairman, Tinopolis Group
Glyn Mathias	Aelod o Bwyllgor Cyngori Ofcom ar gyfer Cymru Member of the Ofcom Advisory Committee for Wales
Nia Thomas	Rheolwr Gyfarwyddwr, Boom Cymru Managing Director, Boom Cymru

Hywel Wiliam	Aelod o Bwyllgor Cynghori Ofcom ar gyfer Cymru
	Member of the Ofcom Advisory Committee for Wales

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

Steve George	Clerc Clerk
Gwyn Griffiths	Uwch-gynghorydd Cyfreithiol Senior Legal Adviser
Adam Vaughan	Dirprwy Clerc Deputy Clerk
Robin Wilkinson	Y Gwasanaeth Ymchwil Research Service

*Dechreuodd y cyfarfod am 09:30.*  
*The meeting began at 09:30.*

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

<p>[1] <b>Bethan Jenkins:</b> Diolch a chroeso i gyfarfod ffurfiol y pwyllgor y bore yma. Croeso i'r Aelodau ac i'r tystion. Os bydd larwm tân, dylai pawb adael yr ystafell drwy'r allanfeydd tân penodol a dilyn cyfarwyddiadau'r tywyswyr a'r staff, ond ni ddisgwylir prawf heddiw. Dylai pawb droi eu ffonau symudol i fod yn dawel. Mae'r Cynulliad Cenedlaethol yn gweithredu'n ddwyieithog, ac mae clustffonau ar gael i glywed y cyfieithiad 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. Peidiwch â chyffwrdd â'r botymau ar y meicroffonau, gan y gall hyn amharu ar y system, a gofawch fod y golau coch ymlaen</p>	<p><b>Bethan Jenkins:</b> Thank you and welcome to this formal meeting of the committee this morning. I'd like to welcome the Members and the witnesses. If the fire alarm does sound, everyone should leave the room following the exits and the instructions of staff and ushers, but we do not expect a fire alarm to be sounded out as a test. Could everyone switch their mobiles to silent? The National Assembly does operate bilingually, and headphones are available to hear the interpretation and to amplify the sound for anyone who's hard of hearing. The interpretation is available on channel 1, and amplification via channel 0. Please don't touch the buttons on the</p>
--	---

cyn dechrau siarad. Rydw i'n credu fy mod i bron wedi cael hynny'n iawn ar ôl misoedd o gadeirio.

microphones, because that can interfere with the system, and please wait for the red light to come on before you begin to speak. I think that I've almost got that right after several months of chairing.

[2] A oes unrhyw beth i Aelodau'r Cynulliad eu datgan o ran buddiannau ar hyn o bryd? Dim byd. Nid oes ymddiheuriadau na dirprwyon.

Do Members have any interests to declare? I see that you don't. We've received no apologies and there are no substitutes.

09:31

### Dyfodol S4C—Sesiwn Dystiolaeth 5 The Future of S4C—Evidence Session 5

[3] **Beth Jenkins:** Rydym ni'n symud ymlaen at eitem 2, ar ddyfodol S4C, a sesiwn dystiolaeth 5. Yn anffodus, mae Simon Curtis o Equity yn sâl ac wedi gorfod tynnu mas. Ac, felly, gan fod agenda brysur gennym ni am weddill y bore, byddwn ni'n trio cadw'r sesiwn yma bach yn fyrrach nag oedd y bwriad ar gychwyn y bore. Ond diolch i chi'ch dau am ddod i mewn: David Donovan, sydd yn swyddog cenedlaethol BECTU Cymru; a Siân Gale, cadeirydd cangen llawrydd de Cymru, BECTU Cymru. Diolch yn fawr am ddod i mewn atom heddiw.

**Bethan Jenkins:** So we'll move on to item 2, which is the future of S4C. This is our fifth evidence session. Unfortunately, Simon Curtis from Equity is ill and has had to pull out. And, so, because we have a busy agenda for the rest of the morning, we will be seeking to keep this session a little briefer than we intended initially. But we would like to thank you both for coming in: David Donovan, the national officer for BECTU Wales; and Siân Gale, the chair of the south Wales freelance branch, BECTU Wales. Thank you very much for joining us this morning.

[4] Y cwestiwn cyntaf, wrth gwrs, rydym ni'n ei ofyn i'r bobl sy'n dod i mewn yw: sut ydych chi'n credu y mae S4C yn diwallu anghenion ei chynulleidfa ar hyn o bryd? Ac i ba raddau rydych chi'n credu ei bod

The first question, of course, we ask of the witnesses is: how do you believe that S4C is currently meeting the needs of its audience? And to what extent do you believe that they have adapted to the changes that

wedi addasu i'r newidiadau yn y byd have happened in the digital world as digidol sydd ohoni? A ydych chi'n it is? Do you believe that they have credu eu bod nhw wedi gallu gwneud been able to do so? And can you give hynny? A beth yw eich barn chi us your view about the review that is ynglŷn â'r adolygiad sydd yn mynd i going to take place at a Westminster ddigwydd ar lefel San Steffan? Diolch. level? Thank you.

[5] **Mr Donovan:** May I say thank you very much for the invitation to speak to you this morning, and to provide evidence? We're very grateful. Very often, it's overlooked that the driving force and the creativity behind most of these broadcasters of course, if not all, is the workforce. Is S4C meeting its targets? Is S4C meting the aspirations of Wales and the forthcoming review that we will all be welcoming? I think the difficulty is that S4C has clearly not been seen to make its targets. Simply, if you monitor its performance over the last seven or eight years, there has been a decline in viewers. The question is: what it is the driving force behind that? Is it the proliferation of alternative means of getting enjoyment or getting your information? Or is it something as fundamental as the correlation between budgets, the quality of the programmes that S4C is making and the range of programmes that S4C is making? And has it, in an attempt to meet the challenges of the modern world, overstretched itself? I believe it has overstretched itself. I believe that S4C needs to reconsider again its core operation, because, if it starts to deliver and attract the viewers in Wales to quality Welsh-language programmes, we may see a reversal—we will quite likely see a reversal—in the correlation between the budget and the viewing figures for Wales.

[6] **Bethan Jenkins:** A ydych chi'n credu mai teledu yw'r model gorau ar gyfer S4C? Rydym ni wedi clywed S4C? We have heard evidence that tystiolaeth yn dweud bod angen i S4C states that S4C needs to innovate and arloesi a bod angen newid y *remit* yn that the remit needs to be changed in hynny o beth. A ydych chi'n credu that regard. Do you believe that that bod hynny'n rhywbeth rydych chi'n is something that you would agree cytuno gyda fe ai peidio? with or not?

[7] **Ms Gale:** Rwy'n credu bod Ms Gale: I think that a broader angen sgwrs ehangach. Ar hyn o conversation is needed. At the bryd, mae S4C newydd wynebu moment, S4C has just faced cuts of toriadau o 40 y cant o'i chyllid. So, 40 per cent in its budget. So, in that sut, yn y cyd-destun hwnnw, gall S4C context, how can S4C take more on? gymryd mwy ymlaen?

[8] Ac fel y soniodd David, beth rŷm ni'n ei deimlo fel undeb yw bod y problemau y mae S4C wedi'u hwynebu dros y blynyddoedd diwethaf yn deillio o'u polisi digidol. Rhan o'r polisi digidol oedd creu llawer mwy o raglenni gyda'r un cyllid. Felly, os ydym ni'n edrych ar fodel S4C a'r cyllid sydd gyda ni ar hyn o bryd, sut allwn ni ddisgwyl iddi gymryd mwy o gyfrifoldeb? Nid yw hynny'n meddwl nad oes angen i ni drafod y Gymraeg a'r cyfryngau a'r byd diwylliannol yn gyffredinol, achos mae angen gwneud hynny. Mae angen trafodaeth genedlaethol arnom ni ar hynny, rhwng y diwydiant, y Llywodraeth a chymunedau dros Gymru. Felly, mae yna ddau beth ac nid ydym ni'n hapus iawn yn cymysgu'r ddau, achos os ydym ni'n sôn am S4C, sianel darlledu teledu yw S4C, ond mae yna sgwrs ehangach am y diwydiannau creadigol yng Nghymru a'r Gymraeg.

[10] **Bethan Jenkins:** A ydych chi'n credu bod S4C wedi gwrandao arnoch chi a'r consŷrn ynglŷn ag, efallai, glastwreiddio'r hyn sydd yn digwydd gydag S4C oherwydd y ffaith bod yna ddiffyg adnoddau ac maen nhw'n ceisio gwneud mwy gyda'r adnoddau hynny? A ydych chi wedi codi'r consŷrn yna gyda nhw?

[11] **Mr Donovan:** We have raised this concern with them and not only with them, but with the industry in general and also with the various committees of the Welsh Government. The difficulty is that the message that we're giving

[9] And as David mentioned, what we as a union feel is that the problems that S4C has faced over the past few years are down to the digital policy. Part of that policy was to create far more programming with the same budget. So, if we look at the S4C model and the funding available at present, how can we expect them to take more responsibilities forward? That doesn't mean that we don't need to discuss the Welsh language and the media and the cultural sphere more generally, because we need to do that. We need a national debate on those issues between the industry, the Government and communities across Wales. So, there are two things there and we're not happy in confusing those two things, because if we're talking about S4C, it is a television broadcast channel, but there is a broader conversation to be had on the creative industries in Wales and the Welsh language.

**Bethan Jenkins:** Do you believe that S4C has listened to you and the concern that you have about watering down what is happening in terms of S4C because there is this lack of resources and they're seeking to do more with those resources? Have you raised that concern with them?

is quite an unpopular message and it certainly goes against the tide, quite frankly. Everybody, 10 to 15 years ago, was overawed by the new, digital future, and there was a lot of conflicting information and visions of what that digital future would have. And here come trade unions that are talking about the necessity of maintaining quality, and maintaining budgets. Therefore, it seemed to some people that we may have been using the broader dialogue to mask our insistence that people should be treated fairly at work. Okay?

[12] We attended the Institute of Welsh Affairs conference yesterday and it was most interesting. It was most interesting because here we are now in 2017 and there is a dialogue that has just been started about whether and what news we can support on our public service broadcasters, and that dialogue is starting for the first time to include a notion of levies—levies on non-PSB and Google, Facebook, et cetera. Now, with every respect, I would say to you that, back in 2009, we gave evidence to the industry: ‘Mind the funding gap. The potential of industry levies for continued funding of public service broadcasting.’ This was a joint document, prepared with BECTU and the National Union of Journalists. So, the reason I point that out is that we are very pleased to see that the industry, the rest of the industry, is starting to catch up with the notion of, ‘How is it appropriate that we tackle the pressures on our public service broadcasters?’ I don’t say that simply to come here and say that we know it all—far from it—but what I do come here to say is that the unions have taken a step back and have looked at the most fundamental reasons why a public service broadcaster should survive in today’s competitive arena.

[13] **Ms Gale:** A gaf i jest ddweud un peth? Fel undebau, rŷm ni yn edrych yn ôl ond rŷm ni’n edrych ymlaen hefyd. Roedd y gynhadledd ddoe yn dda iawn achos rŷm ni’n edrych ymlaen pum mlynedd, trial bod yn realistig ac edrych ymlaen pum mlynedd, ac fe wnaeth rhywun o’r enw Claire Enders, sydd yn ymgynghorydd yn y sector, sôn, o ran unrhyw fath o ddarlledu a newyddiaduriaeth, y pethau ar-lein fel Google a ballu sydd yn cymryd yr arian i gyd ar hyn o bryd drwy hysbysebu. Felly, mae’n bwysig bod

**Ms Gale:** If I could just say one thing. As unions, we do look back, but we also look to the future. Yesterday’s conference was excellent because we were trying to look forward by five years and being realistic in doing that. Someone called Claire Enders, who is a consultant in the sector, did mention that, in terms of any broadcasting and journalism, it’s online facilities such as Google that are sucking up all of the funding at the moment through advertising. So, it is important that some of that is returned to the public sector—



peth o hynny yn dod yn ôl i'r sector gyhoeddus—

[14] **Bethan Jenkins:** Byddwn ni'n trafod hyn yn hwyrach, os yw hynny'n iawn. Nid ydym eisiau mynd i mewn i gyllid ar hyn o bryd. Ond os gallwch chi roi'r ateb hwnnw pan fydd rhywun yn gofyn am gyllid, byddai hynny'n grêt. Fe wnawn ni symud ymlaen at gylch gwaith statudol S4C yn awr. Mae gan Suzy Davies gwestiynau.

**Bethan Jenkins:** We will discuss funding later on, if that's okay. We don't want to stray into that area now, but if you could respond to that when someone raises the issue of funding, that will be fine. We'll move on to the statutory remit of S4C now and Suzy Davies has questions for us.

[15] **Suzy Davies:** Thanks, Chair. It's very interesting what you're saying. I'm sorry I couldn't get to this conference myself yesterday, actually. From what you're saying, it's pretty clear that the current remit of S4C is well past its sell-by date and it needs to be playing in its new future very, very differently. Bearing in mind that the review of its purposes is there and it's up for grabs, really, what needs to be fed into that, how are you planning to look at this as an opportunity for your members and how would you think that you can feed that information into the review?

[16] **Mr Donovan:** We welcome the opportunity, simply because part of the dislocation and part of the difficulty of the industry has been its core funding. Siân mentioned it earlier: we cannot get away from the significant damage that has been done to S4C because of the significant cuts, up to 40 per cent, that it faces. If you then feel that we should be sanguine because it's now being funded through the BBC licence fee, just look at the cuts they've experienced over the last three or four years.

[17] I think what we need to be saying is, above all else, we believe that this industry's success rests on the quality of the output. Whatever forum that output is based on, it needs to be quality. It sets it apart from somebody doing a local blog or typing away in their bedroom at home. That quality is based on the dedication and the creativity of the workforce. Not all trade union members would say that to you, but the fundamental issue is the creativity of the people who want to get their story, the story of Wales or their story of coming into Wales out there.

[18] So, we would welcome and want to reinforce, frankly, that you have to

treat this workforce with respect. We don't believe it is treated with respect today, simply because the hours that they're expected to work are far too long and the life opportunities they have to consider at certain stages of their career are too significant. Do you want a social life? Heavens above. More importantly perhaps, for some people, do you want to start a family?

[19] So, what we're saying—. Yesterday, the watch word was about partnership. We are advocating partnership and we recognise what the Welsh Government and Welsh Assembly is aiming to do in terms of its cultural committees. However, that partnership has to be on something more than a begrudging respect, almost, for the trade unions. We see ourselves as partners—full partners. I am here today speaking to you and putting in the message of the people who are members who inform us.

[20] It just so happens that the critique that they reflect to us is recognised in the annual reports of S4C and the annual reports of the BBC. There is a correlation between reduced budgets, the number of hours people have to work, and the impact that has on their ability to retain a creative outlook.

<p>[21] <b>Ms Gale:</b> A gaf i jest ddweud un peth? Mae'n gamarweiniol i ddweud nad ydym yn cytuno bod <i>remit</i> S4C yn iawn fel y mae, i raddau. Beth rydym ni'n dweud yw bod eisiau edrych ar S4C ac ar bethau eraill hefyd. Ond, ni ddylai hynny i gyd ddod o dan yr un cyllid. Hefyd, y peth arall sy'n bwysig i ni—ac rydym yn meddwl bod S4C wedi mynd ar y ffordd anghywir dros y blynyddoedd diwethaf—yw bod safon yn bwysig. Mae'n rhaid inni gynhyrchu—. Byddai'n well gyda ni ein bod yn cynhyrchu llai yn yr iaith Gymraeg gyda'r arian sydd gyda ni ond yn creu mwy o safon.</p>	<p><b>Ms Gale:</b> May I just say one thing? It's misleading to say that we don't agree that S4C's remit is fine as it is, to some extent. What we're saying is that there's a need to look at S4C and other issues as well. But, that should not all come under the same funding envelope. Another thing that's important to us—and somewhere where we think S4C has taken the wrong direction over the past few years—is the importance of quality. We have to produce—. We would prefer to produce less in the Welsh language with the money that we have, but create something of a higher standard.</p>
---	--

<p>[22] Hefyd, mae trafodaeth ynglŷn â bod eisiau mwy o hyder arnom ni yn yr iaith Gymraeg a beth y gallwn ni ei gynhyrchu yn yr iaith Gymraeg yn</p>	<p>There's also a discussion to be had about the need for greater confidence in the Welsh language and what we can produce through</p>
---	--

unig, a'n bod ni'n gallu gwerthu the medium of Welsh solely, and that  
 hynny drwy'r byd yn yr iaith we can sell that internationally in the  
 wreiddiol. Mae pobl yn gallu original language. People can use  
 defnyddio isdeitlau ac maen nhw'n subtitles and they're happy to do so.  
 hapus i wneud hynny. Felly, i ni, So, for us, the quality is what is  
 safon sy'n bwysig a'r math o important and the type of industry  
 ddiwydiant a'r creadigrwydd sydd yn and the creativity involved in that  
 rhan o'r diwydiant hwnnw. Dyna sut industry. That's what will lead to  
 rydym yn mynd i ffynnu. prosperity.

[23] **Suzy Davies:** Two questions just coming from that, if I may? The first is, we've had some evidence that suggests that, when we're talking about quality, we could, in the future, be considering a range of quality, depending on the audience and the type of content they consume. So, there's a big difference between quality drama on S4C and stuff on YouTube, for example. But, both have a role. The question is where S4C and the promotion of the Welsh language should fit in that huge range of things. So, when you've got people coming into your industry—brand new members coming out of college—they might have different expectations about what they would be doing in the future from the members that you currently have.

[24] Your question of quality is an important one. I agree that, if you're going to have something that's sellable across the world, it has to be of a high standard. So, what leverage or influence do you have on, let's say, S4C at the moment about what type of product they're actually producing? Because if you're looking for a future for your members, I want to know what that relationship is, really. Do you ask them, for example, 'Why are you putting on stuff that nobody watches?'

09:45

**Mr Donovan:** Yes, we do. May I say that—? I'll stick my neck out: there is a quantifiable difference between wanting to have a hobby that dabbles in access to the media or social media. Everybody who wants to come into this industry has one aim: they want to work on quality programmes. The structural difficulty in the industry now, caused by its funding crisis, is the dynamic from the broadcasters' view is that they need quality and they recognise quality, but only for, notionally, the high-end drama. I would say that S4C's digital objective was exactly to mirror the all-day television, the digital coverage, by having, my word would be, 'wallpaper'—that is, of a less high standard, but mixing into the menu then would be high-quality

productions.

[25] What we say is that if you're a professional and a public service broadcaster, you should have one aim: quality. It should be quality. The mechanisms by which you deliver the programming can differ and the budgets can differ and that's always been so—there has always been a difference there. What we're saying is that the balance and the desire to embark on the brave new digital future and the cuts have meant that we have lost the balance there.

[26] May I come back to say that we have a very good working relationship with the broadcasters? I say that. I say that we have many arguments with the broadcasters, not least over terms and conditions, et cetera, for individual staff. But as trade unions, the Federation of Entertainment Unions in Wales, we have also got a very strong idea about what our members should be working on. We've taken part in campaigns, such as quality television, over the years. So, you cannot disassociate the notion of quality per se from saying, 'Well, this goes out at a certain time; it goes out on a certain forum, but that has to be quantifiably less.' Everybody comes into this saying that we should be aspiring to work on a quality programme. The budget that is allocated to these different times and different genres, that can change. The balance is wrong and S4C's current cuts are causing some fundamental difficulties to its ability to deliver.

[27] When we criticised S4C over its digital policy some years ago, S4C was saying, 'It's the future and we have to compete and we have to be part of this marketplace.' The danger was that if they weren't going to be doing that, they would face a funding crisis. We would say that they're facing that funding crisis, so it's time to review that very policy and I'm glad to say that it has in many ways. It is starting to look again at the quality of its output and there are signs of that. It is starting again to look at the budgets and they're set to increase and we welcome that. But I still feel that, if anything, they are less susceptible to argue for quality and the relationship between the quality of its output and its potential audience rather than it being deflected, 'Well, we only have a set sum of money; we've got to work in partnership, what else can we do?'

[28] **Ms Gale:** A allaf wneud jest un pwynt bach? Mae'r gwahanol point? The various workers that we weithwyr sydd gyda ni ar draws represent across Wales is quite Cymru yn eithaf cymhleth. Rŷm ni'n complex. We work across television,

gweithio ar draws teledu, ffilm ac adloniant—adloniant byw, theatr ac yn y blaen. Mae'n syndod faint o aelodau sydd gyda ni yn ein cymunedau yng Nghymru. Nid yw'r aelodau i gyd yn fan hyn, yn ardal Caerdydd; maen nhw dros Gymru i gyd. Mae yna bob math o gwmnïau gwahanol yna: mae yna gwmnïau digidol efallai sydd ddim yn gwneud pethau ar gyfer darlledu neu sydd yn gwneud pethau ar y we. Felly, mae e'n gymhleth iawn ynglŷn â pha fath o aelodau sydd gyda ni.

film and entertainment—live entertainment, theatre and so on. It's surprising how many members we have in our communities in Wales. Not all members are here, in the Cardiff area; they're spread all over Wales. There are all sorts of different companies: there are digital companies that perhaps don't produce output for broadcasting and work online. So, it is very complex in terms of our membership.

[29] Mae yna 2,000 o wahanol swydd ddisgrifiadau ar ein cronfa ddata ni yn BECTU, a gyda'r oes ddigidol mae hynny'n newid: mae swyddi'n dod trwy'r amser; mae rhai newydd yn dod ac y mae hen rai yn diflannu. Felly, mae'n sefyllfa eithaf cymhleth nawr. Yn siarad aboutu S4C, rŷm ni'n canolbwyntio ar hyn o bryd ar bethau o safon, ond wrth gwrs mae rhai pobl yn gwneud pethau digidol ac arloesol yn eu cymunedau eu hunain ac y mae gwahanol fathau o blatfformau i ddangos hynny. Beth sy'n fy mhoeni i yw, os ydych yn tynnu'r rheini mewn i bot llai a llai i S4C, lle mae rhaglenni yn costio £10,800 am raglen hanner awr, rŷch chi'n drysu pethau a rŷch chi'n troi S4C mewn i ryw fath o McDonald's.

There are 2,000 different job descriptions on our database in BECTU, and with the digital age that is constantly changing: jobs are appearing all the time; new jobs are being created and the old jobs are disappearing. So, it's quite a complex picture. In talking about S4C, we are focusing at the moment on quality, but of course some people are working digitally and innovatively in their own communities and there are different types of platforms to actually issue that content. What concerns us is that if you draw all of that into a shrinking pot in S4C, where it's £10,800 for a half-hour programme, then you're confusing things and you're turning S4C into some sort of McDonald's.

[30] **Suzy Davies:** Ocê, diolch yn fawr.

**Suzy Davies:** Okay, thank you.

[31] **Bethan Jenkins:** Mae'n rhaid i fi

**Bethan Jenkins:** We have to move on

symud ymlaen nawr at gyllid, sori. now to funding, sorry. Lee Waters has Mae gan Lee Waters gwestiynau i chi. questions on this subject.

[32] **Lee Waters:** I think the witnesses have already fully explained their views on funding so I'll curtail my questions, if I might. I just wanted to pick up on something that Dave Donovan was suggesting, which is the relationship between funding and quality. So, a counter-argument to that view is one that we heard Huw Marshall make, which is, essentially, that your view is—. You've got an analogue set of values in a digital era, would be one way of putting it, and you think that the production values in the digital sphere should be the same as the production values in television. And much of the evidence about the drive in digital viewership shows that those production values aren't present and don't reflect the viewing patterns—namely, people aren't as fussed as you or I might be about the standard of the programmes and it's the content and the compelling nature of the story being told that's more important. So, don't we, maybe, have to recalibrate our attitudes towards what quality means in this new era?

[33] **Mr Donovan:** I'm not entirely convinced of that. I believe that quality is the importance, because, in the age of multimedia, where, then, you've got all of these competing programs, what is going to make you stop zapping through that handset or looking on your phone? You need to engage that viewer; that is exactly what you need to do. You need to offer the type of programming that they want to watch, to begin with. You also need to deliver it to the best possible standards. I believe there is a fundamental difference between looking on YouTube or looking at amateur produced programmes—. However, we're not talking about an amateur output. The public service broadcasters get a significant amount of money. Why should we be saying that we shouldn't also care about quality?

[34] **Lee Waters:** We should. But doesn't it need to be with a bit more granular than that, though? So, should the quality standards apply equally to all the programmes and also to digital and analogue?

[35] **Mr Donovan:** I believe they should. Yes, I believe they should.

[36] **Lee Waters:** But you said in your evidence earlier that there's a relationship between budget and viewing figures. I'm not sure what evidence you have to justify that claim.

[37] **Mr Donovan:** Well, the evidence is if you go back over the reports for

S4C over the last 10 years they will show that. We've given evidence to the Welsh Assembly—

[38] **Lee Waters:** Well, they don't show that. They show the budgets have gone down and they show the audience has gone down. The audiences have been going down for a number of reasons across all broadcasters. So, I'm not sure you can really establish a clear link between those two things.

[39] **Mr Donovan:** Well, we believe that it's due to the quality that is being offered to the public.

[40] **Lee Waters:** Well, you may believe it. My point is it's hard to evidence it, isn't it?

[41] **Mr Donovan:** How we evidence is we will refer back to the reports, because what other reason is there, then?

[42] **Lee Waters:** Well, because there are changing viewing habits across the whole sector. Television views are declining across all broadcasters.

[43] **Ms Gale:** Yes, but what's growing is viewing on iPlayer, et cetera. Forty-eight per cent, I think the stats were saying yesterday—48 per cent of viewing of S4C—

[44] **Lee Waters:** That's growing under current budgets.

[45] **Ms Gale:** Excuse me; 48 per cent of viewing of S4C is viewed—people are viewing it outside of Wales. So, there is an appetite for that—

[46] **Lee Waters:** On the current budget. That's happening now, under declining budgets you've just pointed out.

[47] **Ms Gale:** Yes. Sorry, I don't understand your argument.

[48] **Lee Waters:** So, my point is—

[49] **Bethan Jenkins:** Can we just have one at a time, please?

[50] **Ms Gale:** Yes.

[51] **Bethan Jenkins:** Thanks.

[52] **Lee Waters:** What I'm trying to get clear in my head is that you've stated that there's a clear link between budgets and viewing figures, and I'm not convinced that the evidence has been produced to justify that claim.

[53] **Ms Gale:** Do we want, as a nation, to have productions like 'Hedd Wyn' that will bring money and kudos to the industry in Wales, and our culture is shared throughout Wales, or do we want to build an industry on YouTube and digital programming? There's nothing wrong with digital programming. I think, you know, the sort of cheap—

[54] **Lee Waters:** With respect, that's a different point from the one I'm making.

[55] **Ms Gale:** I don't understand your point, then.

[56] **Lee Waters:** Indeed. But the point I'm making is that there's an argument for saying we need to take a more sophisticated approach. Rather than saying that the quality standards and budgets for all output should be the same—and Huw Marshall has made this argument persuasively, to my mind—we should concentrate investment in high production values where we think that's justified, but, some of the output, we could get away with lower production values, especially when it's for a digital audience.

[57] **Ms Gale:** How low do you want to get? We've gone pretty low. And, again, what we said at the beginning is that we need to look at the Welsh language medium digital. We need to look at our cultural side of things, including newspapers and digital news. We need to look at it holistically, rather than say, 'This is S4C, this is what exists; it can do everything'. It can't do everything, so let's have a big debate about it all and bring in the academics, bring in our communities and bring in people like yourselves.

[58] **Bethan Jenkins:** I'm sure that Jeremy Miles wants to come in on a question now, so, if that's okay.

[59] **Jeremy Miles:** What was the economic impact on your members of a schedule that has more repeats because it's spending its money on a smaller number of better programmes?

[60] **Mr Donovan:** Sorry, can you repeat that again?



[61] **Jeremy Miles:** What's the economic impact on the availability of work for your members of a model for S4C where it spends more money on fewer programmes, and therefore repeats more of those programmes?

[62] **Mr Donovan:** With the exception of one or two grades, our members don't gain any benefit advantage from repeats. There was a discussion about the impact of repeats on S4C's digital output, and I notice now that they're at, I think, 50 per cent repeats. So, for our members, in the main, with the exception of two or three grades, they have no benefit from a repeat show. So, there is less work, arguably, for the amount of output now for our members.

[63] **Jeremy Miles:** But isn't the end point of an argument that says, 'S4C should spend more money on fewer programmes', that your members are making less money in the long term?

[64] **Ms Gale:** Buaswn i'n **Ms Gale:** I would disagree with that in anghytuno gyda hynny mewn ffordd, a way, because perhaps they will get achos efallai bydden nhw'n cael llai o less money through S4C, but they arian o S4C, ond mae yna fwy o gyfle will have greater opportunities to be gyda nhw i gael digon o arian am y paid properly for the work that they gwaith mae nhw'n ei wneud. A do. And that—sorry, there is a hynny—sori, mae yna *knock-on* knock-on effect.  
*effect.*

[65] There's a knock-on effect, in that, on that, we can build a sustainable industry.

[66] **Jeremy Miles:** For fewer people.

[67] **Ms Gale:** No, not necessarily, because you will have high-level productions coming into Wales and they will use Welsh talent. If we're going to be the cheap and cheerful, then you're not going to build a sustainable industry. That's why, in the 1980s, we started to build a very sustainable industry. It's growing now, and we can grow it again.

[68] **Jeremy Miles:** And one of the arguments you've made in your submission, with which I happen to agree, is that it was bad for the sector in Wales for S4C to concentrate its commissioning on a smaller number of large, independent production companies. Isn't that, effectively, what

happens to the workforce under the model that you're proposing? There are fewer people doing better paid work.

[69] **Mr Donovan:** No, not necessarily so. We've noticed that the forthcoming committee has an aspiration to create 100 companies producing. Well, we had that. Up until S4C's digital policy, there were over 80, 90 independent companies making programmes for S4C, and S4C was in Wales, because those companies were spread all over Wales—all over west Wales, north Wales, mid Wales and south Wales. So, it's not necessarily so. What we want—. And could I just say one thing, Lee? In terms of the individuals and the access to the industry, we should not, Lee, be explaining to people that you can come into this industry and you can work at low-end productions and you shouldn't have the aspiration for the high quality. The simple reason is that we want them to work in a sustainable industry, and we want them, therefore, to be working in an international industry. So, you are correct, we need more of a debate on this, but—. We will need to provide the evidence that satisfies you about that correlation, then. That's what your questions have asked.

[70] What you're asking is: are we saying that we want just a smaller selection working on these smaller—? No, what we want is a return to the times when individuals had an aspiration to tell a story. That aspiration, it didn't matter where you lived in Wales. In fact, it was very important, and, where you lived, and your community and your experiences, gave you that very story. We don't see a problem with that whatsoever, and we share the aspirations that you're coming out with. We are not being selective or protective of a small group of people, who may or may not be in the trade unions, to deliver. That's why the discussion on quality is very important. It is not about protection per se, but there is a correlation as well between the budgets and the working conditions that that—

[71] **Jeremy Miles:** Absolutely. I don't dispute that for a second.

[72] **Bethan Jenkins:** Ocê. Os yw'n **Bethan Jenkins:** Okay. If we can, we'll iawn, rydym ni'n symud ymlaen at move on to governance and lywodraethu ac atebolrwydd, ac mae accountability, and Dai Lloyd will lead Dai Lloyd yn arwain ar hyn. Diolch. on this. Thank you.

[73] **Dai Lloyd:** Diolch yn fawr, **Dai Lloyd:** Thank you, Chair. What is Cadeirydd. Beth yw'ch barn chi ar your view on the effectiveness of the effeithlonrwydd trefniadau current governance arrangements of

llywodraethu presennol S4C?

S4C?

[74] **Mr Donovan:** The current effectiveness is—. Well, it's purely frustrating for us that S4C can be expected to make significant cuts on the back of a telephone call between Westminster and the head of the BBC. That's totally unacceptable in a modern democracy. We have to see changes to that. We have to be seeing that Westminster takes greater notice, and acts upon the views and the opinions of people in Wales. It has to—and we see this developing—take notice of what the Welsh Government and the Welsh Assembly says to Westminster about broadcasting. It is totally unacceptable—totally unacceptable—that the future of Wales and the way it is seen across the world, across all its broadcasters, is done on the back of a fag packet in London.

10:00

[75] **Dai Lloyd:** Ie, cytuno. Ar gefn hynny, beth fydddech chi'n ei weld, yn symud ymlaen i'r dyfodol, fyddai'r set delfrydol o drefniant llywodraethu gogyfer S4C i'r dyfodol, felly?

**Dai Lloyd:** I agree. Following that, looking forward to the future, what in your view would be the ideal set of governance arrangements for S4C in the future, therefore?

[76] **Mr Donovan:** The ideal set would be that the current administration responsible for it takes more seriously its commitment to people in Wales. May I suppose that the question you're fundamentally asking is: should it be devolved to the Welsh Government?

[77] **Dai Lloyd:** I was coming on to that, but carry on. [*Laughter.*] Carry on; you're on a roll, obviously.

[78] **Mr Donovan:** We have difficulty with it currently. It is not a 'no' and a 'no' forever. However, what we are concerned about, unlike the options we were given about Brexit and the people that voted for Brexit, we want to see what the alternative means. That's what we want. We want to know that, if broadcasting is to be devolved, that it is devolved in an appropriate manner with, certainly, assurances and a complete understanding for proper funding going forward, because the difficulties between us and the way decisions are made currently, and where they are made—many people believe it's about editorial control, this, the news, the coverage. For us, it is absolutely about the sort of funding that our broadcasters need, and that funding allows them the freedom to deliver for the people in Wales.

[79] **Dai Lloyd:** Felly, ar gefn hynny, pe bai ddim jest y pŵer dros ddarlledu yn cael ei ddatganoli i'r lle hwn ond hefyd y cyllid i fynd efo'r grym yna, a fuasech chi o blaid y syniad yna?

**Dai Lloyd:** So, following on from that, if not just the power for broadcasting was devolved to this place but also the funding to go along with that power, would you be in favour of that idea, then?

[80] **Mr Donovan:** I'd be in favour of looking at it, but the difficulty is that, if we look at the tensions and the difficulties over the funding that we've got currently in Wales over the settlement, and, if we are conscious and aware, as we all are, of what's to come in the next few years, we want to see it. We want to see what it means. At its most basic level, respected Members here will be faced sometimes with responding to the cries of people working in film and television and news to increase its funding, whilst at the same time people in the Valleys will be saying, 'Well, what about education?'—quite rightly—'What about hospitals?' We want to be convinced that we have a robust system that ensures an appropriate funding mechanism for what some people might like to think is a fluffy entertainment industry.

[81] **Dai Lloyd:** Af i ddim ar ôl hynny achos rwy'n ymwybodol o gyfyngiadau amser, ond jest i orffen fy narn i, a allaf ofyn: pa mor bwysig ydy annibyniaeth S4C o ran y gallu i ddarparu cynnwys Cymraeg i gynulleidfa lle bynnag mae'r gynulleidfa yna'n byw? Rwy'n derbyn, wrth gwrs, fod yna siaradwyr Cymraeg tu allan i Gymru, yn naturiol, ond ar hyn o bryd S4C ydy'r unig sianel sydd yn darparu gwasanaeth Cymraeg yn y byd. Felly, a ydych chi'n credu bod annibyniaeth i'r corff yna yn bwysig?

**Dai Lloyd:** I won't follow up on that because I am aware of the time constraints, but I would just like to finish my section by asking: how important is the independence of S4C in terms of its ability to provide Welsh language content to an audience, wherever that audience may be? I accept, of course, that there are Welsh speakers outside of Wales, but, currently, S4C is the only channel that provides a Welsh language service globally. So, do you believe that independence for that body is important?

[82] **Ms Gale:** Ydy, mae'n hollbwysig. Rwy'n credu bod yn rhaid i S4C neu unrhyw ddarlledwr Cymraeg fod yn hollol annibynnol ar y BBC, ac ar unrhyw Lywodraeth neu

**Ms Gale:** Yes, it's crucially important. I do think that S4C or any Welsh language broadcaster should be entirely independent of the BBC, and of any Government; it has to be

unrhyw beth; mae'n rhaid iddo fe. independent. It's crucial to our Mae'n hollbwysig i'n democratiaeth democracy. ni.

[83] **Dai Lloyd:** Diolch yn fawr. **Dai Lloyd:** Thank you.

[84] **Bethan Jenkins:** I haven't indulged this at all in the last evidence sessions, but I'm hearing time and again from people who have come in that the decisions by the UK Government have been made, as you said, on the back of a fag packet, that they've been made over a telephone, and that the cuts have been made by the UK Government, yet time and again it seems that the discussion lies around the fact that, even though that's a really bad thing, devolving it would be something that would be out of the question. And I think: if it's so bad in Westminster, why not devolve it? And, if it's something that you're thinking about, why not come up with that plan? You're saying you'd want to see the detail, but is it not for people in the sector to lead on that and to come up with ideas, such as a White Paper or a discussion paper, so that we can stop saying that it shouldn't be there, but then not have a rationale as to why it should—? So, I'm just wondering if you had any thoughts on that, because I think it's quite disappointing to hear people say that the cuts are so bad, but then just blindly accept that that's the way it is, in a way. So I'm just wondering what you have to say on that.

[85] **Mr Donovan:** With respect, we have never said, 'That's the way it is'. There are things that the industry can do now to change its course. The difference that S4C could do, even within its current restraints, is starting to happen. It's starting to look at the quality of its output, the type of programming, and the budgets. So, that is happening.

[86] What you're expressing is a disappointment that we haven't come here today to say, 'Yes, do you know, it's a wonderful idea and this is how we think it should work'. That's simply because we are uncertain of the funding mechanism, the complex funding mechanism, between the BBC, S4C and broadcasting in general. We've got members working as permanent staff in the BBC and S4C as well as ITV. It isn't as simple as saying, 'Well, we have a problem here at S4C and the easy way to solve it is to tick that box'.

[87] And, with respect, I think it is particularly difficult at this very time, with the questions of funding hanging over us all, for us—. It may well seem very easy—we'll come here and hand you the responsibility. I believe we're taking the more responsible act to say, 'No, we want to continue working on

this but, at this moment in time, we can't see, within the current devolved mechanisms of funding, how handing it to the Welsh Government—great in terms of accountability, but the funding is the vitally important element that we would need to review.'

[88] **Bethan Jenkins:** Okay, thanks.

[89] **Ms Gale:** A gaf i ddweud un peth? Os wnewch chi edrych ar bwynt 11 o'n hymateb ni—. Mae fe'n swnio fel eich bod chi'n gofyn i ni gynnal y sgwrs yma—

**Ms Gale:** If I could just make one point? If you look at point 11 of our response—. It appears that you're asking us to have this discussion—

[90] **Bethan Jenkins:** Nid chi ar ben eich hun—pobl sydd wedi dod mewn o'r sector, pobl sydd yn gweithio yn sector y diwydiannau, nid jest BECTU. Nid wyf yn rhoi fe i gyd ar ysgwyddau chi.

**Bethan Jenkins:** Not you alone, no—people who have come in from the sector, people who work in the industries' sector, not just BECTU. We're not placing all the responsibility on your shoulders.

[91] **Ms Gale:** Dyna pam roedd y sgwrs yna ddoe. Chwarae teg i'r IWA, dyna pam roedden nhw'n cynnal cynhadledd ddoe. Fel roedd David yn sôn, cydweithio oedd y pwynt mawr. Hefyd, nid wy'n gwybod os ydych chi wedi clywed am rywun o'r enw'r Athro Mariana Mazzucato. Mae hi'n ffantastig. Mae hi'n sôn am bethau fel sut y gallwn ni weithio, sut mae'r sector cyhoeddus yn y gorffennol wedi creu pethau fel Google a sut y dylen nhw roi'r arian yna yn ôl er mwyn creu pethau newydd yn y dyfodol.

**Ms Gale:** That's why there was that conversation yesterday. Fair play to the IWA, that's why they held a conference yesterday. As David mentioned, collaboration was the major point. I don't know if you've heard of Professor Mariana Mazzucato. She is fantastic. She talks about things such as how we can work, how the public sector in the past has created things such as Google and how they should then give that funding back for new innovations in the future.

[92] So, rydym ni'n croesawu unrhyw drafodaeth. Yn bersonol, yn fy nghalon i, buaswn i wir eisiau i ddarlledu a'r diwydiannau creadigol gael eu datganoli i Gymru. Ond, eto,

So, we welcome any discussion. Personally, speaking from my heart, I would want to see broadcasting and the creative industries devolved to Wales. But, again, we need to have

mae angen y sgwrs. Rydw i'n that conversation. I agree entirely  
cytuno'n hollol bod eisiau i'r that the industry and everyone must  
diwydiant a phawb arall ddod at ei come together and discuss a way  
gilydd a thrafod y ffordd ymlaen. forward.

[93] **Bethan Jenkins:** Diolch. Rwy'n **Bethan Jenkins:** Thank you. I move  
symud ymlaen—. on—.

[94] Sorry, we need to move on quickly.

[95] **Mr Donovan:** Excuse me, Chair. May I say I didn't mention the issue on  
levies just as an interesting aside? I mentioned levies because they are an  
important possible factor to funding difficulties that the sector has.

[96] **Ms Gale:** Ac mae'n **Ms Gale:** And it is an investment.  
fuddsoddiad.

[97] **Bethan Jenkins:** Mae gyda **Bethan Jenkins:** Jeremy has a quick  
Jeremy gwestiwn clou ar y berthynas question on the relationship with the  
gyda'r BBC. BBC.

[98] **Jeremy Miles:** Jest ar y **Jeremy Miles:** Just on the question of  
cwestiwn yma o ddatganoli darlledu, devolving broadcasting, is there any  
a oes unrhyw wahaniaeth o fewn difference within BECTU in terms of  
BECTU, rhwng safbwynt BECTU BECTU Wales's view and BECTU  
Cymru a BECTU ar draws Prydain? throughout the UK? Or is the policy  
Neu a yw polisi fel hwn yn cael ei set throughout the UK? Do you see  
wneud ar draws Prydain? A ydych greater benefits to it than BECTU  
chi'n gweld mwy o fuddiannau iddo would in general?  
fe nag efallai y byddai BECTU yn  
gweld yn gyffredinol?

[99] **Mr Donovan:** No. BECTU is a democratic organisation. With the way it's  
made up, we would need to take BECTU in the UK with us. But BECTU UK  
doesn't have a veto on the aspirations of members in Wales. What we're  
saying is that we would undertake—and we are in conversation with our  
members about their aspirations about these issues of funding and devolved  
responsibility. So, when we are in a position to advocate an alternative,  
further than the discussions we already have with our members, we will take  
that forward within the democratic structure. However, you are entitled to  
believe, and I want to assure you, that, when we come here to give evidence

to you, we speak on behalf of BECTU, on behalf of our members.

[100] **Jeremy Miles:** Thank you. In terms of the relationship with the BBC, what are your views on the main strengths of that from S4C's point of view?

[101] **Mr Donovan:** The main strength is that it's a settlement that got it over continued pressure and criticism from the DCMS. I see very little else, frankly. The difficulty is that people—. The discussion yesterday was about holding on to what we've got and how can we put a sticking plaster over a significant difficulty for the broadcasters.

[102] We appreciate that, to many people, the funding is now stable and through the licence fee. The difficulty is, if I may, it also signifies something else, though, doesn't it? In the last 25 to 35 years, we've had an S4C that had a world-class animation sector, it had nominations for Oscars, and now we've got an S4C that is potentially moving 65 miles west, will not have a presence in the capital city, and half of its staff will be working inside the BBC—quite possibly as BBC staff, depending on TUPE. So, what I'm alluding to is this: we will have lost S4C. At this moment in time, it is my opinion that S4C is like grains of sand running through your fingers, if you compare it with the industry we had 15 years ago.

[103] So, whilst the funding has been assured only up until 2020 from the BBC, I believe that the BBC, because of the pressure it is under itself, going forward, will be reviewing the level of its funding for S4C, and that is a problem. So, therefore, the funding is a complex issue. We can all agree that at least we have some certainty, but the certainty of the level of funding now is causing such structural changes that S4C may well not be a single identity that—.

[104] Well, interestingly, yesterday, there was an awful lot of talk about the Catalans broadcasting in their own language, et cetera. I remember, in the early 1990s, people coming from the Basque Country and from Catalonia, coming to us here, visiting S4C, coming to see me and asking, 'The wonderful opportunities—you've got this wonderful institution broadcasting in Welsh.' Yesterday, I sat through a whole day where we were told how successful broadcasting in Catalan was in Spain. It's changed, hasn't it? It hasn't changed for the better. If we were passionate and believed that S4C was a worthy representation of our culture and language in Wales, where is it? Where will it be in two years' time? Where will you go in Cardiff to say, 'This is S4C'?



[105] Forgive me, I'll answer part of my question: it's in the hearts and the creativity of the people of Wales. But also, when you're hoping to attract funding and interest from bodies all over the world, they need to see something more.

[106] **Jeremy Miles:** Okay, thank you. Thank you. Diolch.

[107] **Bethan Jenkins:** Sorry, I shouldn't really ask any more questions, but I was just concerned about what you said about the BBC issue and if that might be reflected in funding for S4C in the future. Because if they're TUPEd over to BBC, would that not then be reflected in the budgets for S4C anymore? So, then, that may decrease the budget in the long term.

[108] **Mr Donovan:** I can't give you an assurance on that. We have not been told yet what is to happen to the current S4C staff who are working in S4C and are due to be transferred to the new BBC building. There is a school of thought that would say that that would be the subject of a TUPE transfer, but I'm not sure. In the early days, I was rather saying, 'Well, will you be BBC staff or will you, by force, have to have a BBC pass?' I'm talking about the identity. You are right to be concerned, but I can't give you the reassurance, because the broadcasters haven't told us definitively what is to happen to the staff who are to transfer into the BBC.

[109] **Bethan Jenkins:** I think that's something that we'll raise with the BBC and S4C respectively.

[110] Rydym ni'n symud ymlaen at We'll move on to the visibility of S4C, welededd, ac mae gan Neil Hamilton and Neil Hamilton has some gwestiynau. questions.

[111] **Neil Hamilton:** We've talked—and it's the context of the backdrop to all this—about declining audiences, following on from what Lee Waters said about the changing way in which people access entertainment programmes in particular, and the digital age being very different from the analogue age. You've ascribed part of the reason for the declining audience of S4C to a decline in quality of its output. S4C are very concerned about the question of how visible they are as a channel, given that access to their content via smart tvs is not quite as obvious as on the old-style transmission networks and the electronic programming guide doesn't give them the same prominence. Huw Marshall gave evidence to us as well, saying that he thought there should be

a big priority, on the part of S4C, on becoming more visible on channels like YouTube and Facebook and Apple TV and so on. Have you got any ideas on how S4C could improve its visibility that are different from those?

10:15

[112] **Ms Gale:** Legislation. I think, if these people are making a lot of money out of televisions, et cetera, then they should—. Smart tvs should automatically put S4C there on their electronic guides, et cetera. That should be part of it. It shouldn't cost. S4C can't afford to pay millions of pounds for this. It should be there, as a right—not that I know anything much about this area. I don't know what you think, David. It's not my expertise. But it should be there and that's it.

[113] **Neil Hamilton:** Obviously, that would have major implications in the context of who makes the decisions about the legislation for this area, which is, of course, not the Assembly in Cardiff. It's rather beyond our capacity to make the decisions that matter in that respect.

[114] The second issue and what we want to discover is what your feelings are on whether S4C has invested sufficiently in online viewing presence. Insofar as it can control the problem of visibility itself, is this partly down to decisions that they've made about their own financial priorities?

[115] **Ms Gale:** Can I just say that when—?

[116] Sori, rwy'n troi i'r Saesneg Sorry, I'll turn to English now. I find it nawr. Rwy'n ei ffeindio'n anodd troi o difficult turning from one to the un i'r llall. other.

[117] When S4C changed its digital policy, it did so with the current funding it had. When the BBC had its digital policy and put more stuff online, it had significantly higher budgets So, again, I think, keeping on expecting S4C to do more and more with less funding is going to be its death knell, unless there's a different type of funding opportunities.

[118] **Neil Hamilton:** So, if there were a levy, do you think there wouldn't then be a need for legislation? Because they could afford to buy a presence, which they don't currently have.

[119] **Mr Donovan:** No. I believe there would be a necessity for legislation for

a whole range of reasons anyway—not least because of the editorial content and all of those arguments.

[120] I would like to reassure you, when we were running the critique of this very different digital future that S4C was espousing, it wasn't simply because we were saying, 'We need to protect the past'. What we were saying was that the way in which they were set up said that, if we hit 40 per cent, we won't be able to undertake what we are required to under the current mechanism.

[121] It was a simple analysis of, if you've got a 40 per cent cut, and you are saying the problem is this multiplicity of competition, and you still want to do the same thing, it doesn't add up. The interesting thing is that they are now on 50 per cent repeats and we are still struggling to find out how we can access these other areas. I think it is important for a modern-day broadcaster to be looking at all the mediums to find out about accessibility.

[122] However, isn't it fundamentally true that what it should be about is reflecting the best of Wales? Because it's that that makes people want to watch it, first and foremost. The format, the mechanism for doing that, we would say, would then follow on. The fundamental problem with S4C is that it hasn't got enough viewers under the old policy.

[123] **Ms Gale:** Jest i ychwanegu, **Ms Gale:** Just to add, we know that rydym ni'n gwybod bod pobl o dan 35 yn fwy tebygol o wyllo pethau ar-lein ac yn ddigidol. Felly, mae yn bwysig cael pethau yn y Gymraeg ar-lein a bod S4C yn gweithio ar aml blatfform. Ond eto, mae eisiau trafodaeth ar sut mae hynny'n mynd i ddigwydd a sut rydym ni'n mynd i sicrhau bod hynny'n fforddiadwy ac yn safonol—boed yn safonol o ran digidol, neu'n safonol o ran darlledu'r pethau sy'n mynd i fod yn fyd-eang.

people under the age of 35 are more likely to watch online and digitally. So it is important to have Welsh-medium content online and that S4C should work on a multiplatform basis. But, we need a debate on how that's going to happen and how we're going to ensure that that's affordable and of quality—be it quality in terms of digital or in terms of broadcasting things that can be sold on a global level.

[124] **Bethan Jenkins:** Ocê. Rydym ni'n symud ymlaen at gwestiynau am yr effaith economaidd a diwylliannol, ac mae gan Hannah gwestiynau.

**Bethan Jenkins:** Okay. We'll move on to questions on the economic and cultural impact, and Hannah has those questions.

[125] **Hannah Blythyn:** Thanks. In previous sessions, when we've talked about the economic and cultural impact, we've talked about the wider economic impact of S4C in Wales. But, before we get to that, while you're here today, I'd like, perhaps, to look at the role of the workforce in that and start by asking if you could outline the level of engagement your members or you have, on behalf of your members, with S4C.

[126] **Mr Donovan:** Well, it's quite difficult because of the make-up. The majority of the workforce, excluding S4C staff, work for independent companies and most of those independent companies, if not all, are simply smaller companies—although we would call them large companies—we don't have a recognition with. So, we are concerned about that. There is a fundamental problem in Wales, which I see, broadly—. My opinion is that Wales is a left-leaning country. I go to meet many of the employers of the companies and we speak very normally and in very friendly terms, but there is a difference. The pressure of the budgets has meant that they do—I believe—fear any control coming from a trade union interfering in them and their workforce. Overall, the workforce is marked, in the main, by a number of freelancers. Some of these five major companies that were set up have permanent staff. We were very disappointed that, when we wanted a level of engagement—a so-called recognition from these larger companies—it was denied us. We believe that was not only inappropriate but it flew in the face of the partnership and collaboration between the unions and all parties that set up S4C. So, we were disappointed; and we are still disappointed. If you've got anything to do with it, what we want to see is an extension of the Trade Union (Wales) Bill, which requires—if it is to have public funding—these companies to have a dialogue and recognition for trade unions, because there are abuses happening to people in these companies who are working far too long hours. Let me touch on the freelancers: we haven't had a recognition in the rate of pay for freelancers in the last seven or eight years. It's been covered up by the funding problem. S4C did assist with TAC some years ago; then it removed the responsibility from TAC, and now it resides again with TAC, and we welcome the appointment of TAC as somebody that will have some responsibility for recognition.

[127] There are these structural problems that have been allowed to develop. Why is it, given the degree of partnership and assistance in terms of a whole range of things, not least training and lifelong learning, which come out of the Wales union learning fund through the trade unions, that they can speak to me very cheerfully at an event, like yesterday's, but resist me

coming into those companies to represent members for non-legislative representation, such as annual pay, terms and conditions and negotiations?

[128] **Hannah Blythyn:** I was going to ask you about the formal recognition, but you answered it in your response then. I think, when we had Huw Marshall in from S4C, he talked about the need to negotiate different rights for content, with longer viewing windows to reflect the use in the online era. What kind of impact do you think that would have on your members in particular?

[129] **Mr Donovan:** Although it would be, in the main, with our sister trade unions—as I explained earlier, we have very few rights going forward. What we do want, though, is—. Forgive me; in the interregnum between TAC having full responsibility, our sister unions, because of the rights issues, were able to have a dialogue with S4C. That didn't exist for our members, because, as I've explained, they were either employed by the small number of larger companies or they were overwhelmingly freelance. So, there is a difficulty there. We will keep on returning to this. It is unacceptable. As unacceptable as the other things I say about broadcasting in the modern Wales, it is totally unacceptable that a trade union acting responsibly is refused recognition for permanently employed or freelance. It should be the same. The responsibilities on all parties will be the same. It will be a responsibility to work in partnership and collaboratively; but do you know what, sometimes people get abused at work and somebody has to do something about it.

[130] **Hannah Blythyn:** Are you finding that's becoming more of an issue? I think you said in your written evidence that you've seen more movement from less permanent employees to more casual employees, so it's all the more important to have those recognitions in place.

[131] **Ms Gale:** Rydw i'n credu beth sy'n digwydd hefyd yw, pan rydych chi'n gweithio yn y maes llawrydd, rydych chi yn llawer mwy bregus, ac mae pobl yn ofni siarad i fyny. Felly, mae pobl yn dweud wrthym ni, yn gyfrinachol—yn hollol gyfrinachol—am beth sy'n digwydd iddyn nhw, ond nid ydyn nhw am i David godi'r pwynt achos maen nhw'n ofni na  
**Ms Gale:** I think what's also happening is that, when you work freelance, you are far more vulnerable, and people are fearful of speaking out. People do tell us entirely confidentially about what's happening to them, but they don't want David to raise these points because they are worried that they won't get any work tomorrow. So, the

fyddan nhw'n cael gwaith yfory. Felly, y broblem sy'n digwydd gyda gweithwyr yn gadael y BBC a gweithwyr yn gadael S4C yw bod mwy o bobl yn llawrydd, ac mae'n creu mwy o ofn o fewn y gweithlu, a hefyd o fewn y cwmnïau. Mae'r rhan fwyaf o'r bobl sydd yn gweithio o fewn y cwmnïau ar gytundebau tymor byr neu gytundebau sy'n mynd ymlaen o flwyddyn i flwyddyn. Roedd achos lle'r oedd rhywun wedi dod atom ni lle'r oedden nhw wedi gweithio dros 90 awr yr wythnos hynny, ac wedi tynnu sylw'r cyflogwr eu bod nhw'n gweithio o dan yr isafswm tâl yr awr—*national minimum wage*. Nid oedden nhw wedi cael ymateb positif iawn, ond eto, nid oeddent yn fodlon cymryd y peth ymhellach. Felly, mae pobl yn fregus, a buaswn i'n dweud os oes unrhyw fuddsoddiad mewn unrhyw gwmni yng Nghymru gan Lywodraeth Cymru, dylai fod rhyw fath o gytundeb gyda'r undeb hefyd, i wneud yn siŵr bod y gweithwyr yna yn mynd i gael eu trin yn iawn, boed yn llawrydd neu'n staff.

problem that happens with workers leaving the BBC and S4C is that there are more people going into that freelance sphere, which creates more fear within the industry and within the workforce, and also within the companies. Most of the people working within the companies are on short-term contracts or contracts that are year-on-year rolling contracts. There was a case where someone had approached us where they had worked over 90 hours that week, and had drawn the employer's attention to the fact that they were working below national minimum wage. They didn't get a very positive response to that, but again, they weren't willing to take it further. So, people are vulnerable, and I would say that if there is any investment in any company in Wales from the Welsh Government, then there should be some sort of agreement with the union too, in order to ensure that those workers are going to be treated well, be they freelance or staff.

[132] **Bethan Jenkins:** Diolch. Mae **Bethan Jenkins:** Thank you. Jeremy—  
Jeremy—

[133] **Dawn Bowden:** Can I just ask a quick question on—?

[134] **Bethan Jenkins:** Sorry, Jeremy indicated before you.

[135] **Dawn Bowden:** It's just on that particular point.

[136] **Bethan Jenkins:** Okay, yes. Dawn.

[137] **Dawn Bowden:** Are you able to clarify whether you actually recruit amongst the freelance as well?

[138] **Ms Gale:** Oh, yes.

[139] **Dawn Bowden:** That was the point. That was the one I was wanted to make, yes.

[140] **Mr Donovan:** May I explain? Absolutely, and in fact, the basis of our recognition for S4C came from S4C for this workforce—the freelance workforce—because it was a publisher contractor. It was the development of these previously small companies into larger companies—five larger companies—that ended up with a core nucleus of staff that we were denied recognition from. And it was a stupid place, because we had recognition for freelancers. ‘Ah, but David, they aren’t freelance’. You see the dilemma that we were placed in?

[141] **Ms Gale:** A jest i ddweud, mae aelodau gyda ni drwy Gymru, a beth sy’n ddiddorol yw, dros y ddwy flynedd ddiwethaf, mae’r aelodaeth wedi cynyddu 12 y cant, ac rydw i’n gwybod bod Equity yn cynyddu hefyd, ac mae llawer o’r aelodau newydd yn bobl ifanc sydd eisiau rhywun sy’n mynd i fod gyda nhw trwy eu bywydau gwaith nhw, ac mae llawer iawn—y rhan fwyaf ohonyn nhw—yn llawrydd.

**Ms Gale:** Just to say, we have members throughout Wales, and what’s interesting is that over the past two years, membership has increased by 12 per cent, and I know that Equity are also increasing in numbers, and many of these new members are young people who want someone who is going to be by their side throughout their working lives, and many of them—most of them—are freelancers.

[142] **Bethan Jenkins:** A’r cwestiwn olaf heddiw, gan Jeremy Miles.

**Bethan Jenkins:** And the final question today, from Jeremy Miles.

[143] **Jeremy Miles:** Fe wnes i ofyn i TAC wythnos diwethaf neu’r wythnos gynt a fydden nhw’n cytuno bod aelodau TAC, a’r rhai sydd ddim yn aelodau TAC, yn gweithio o fewn y cytundebau gyda BECTU, Equity, ac ati, a’r ateb ges i oedd, mwy neu lai, ‘*Everything in the garden is rosy.*’ A

**Jeremy Miles:** I asked TAC last week, or the week before, whether they would agree that TAC members and non-TAC members are working within the contracts with BECTU and Equity and so on, and the answer I got was more or less, ‘Everything in the garden is rosy.’ You wouldn’t

fuasech chi'n dweud bod hynny'n agree with that, would you?  
wir?

[144] **Mr Donovan:** I definitely wouldn't, and in answering in that way, I could be open to criticism. If you get a silence, if nobody's asking you the question or bringing you problems, it's reasonable to think, well, everything is rosy, but it isn't. It's far from it. The fear in this industry, at all levels of that crew, is almost palpable. There are many very experienced technicians who are afraid to approach their employer, in the broadest sense of the terms, just to talk about their hours of work. The nature of freelancing is so insecure that you need to be as sure as you can that you will work for anyone going forward. So, a great deal of my work is to counsel and speak to individuals who are facing a problem, discussing with them how critical that problem is, and what the options are.

[145] It is a disappointment that in many instances, individuals, whilst they welcome that source of advice, don't want to take it further until the next worst thing happens. Now, that's hardly a very positive note on which to carry a very, very aspirational workforce into the future—one that the Welsh Government has correctly identified as one of its targets, going forward. There is a structural problem, which has been allowed to develop, and it has been exacerbated by the funding. We would welcome any discussion with the Welsh Government to require these people, these employers, to have a relationship. It is not 'Everything in the garden is lovely'. We know that there are problems. People haven't had pay rises and their hours are too long. We would welcome, through this body, through this panel today, an approach from TAC to discuss what is appropriate and what they mean by 'Everything in the garden is lovely'.

[146] **Jeremy Miles:** I'm using that phrase. They didn't use that phrase—just to be clear.

[147] **Mr Donovan:** Thank you very much for that explanation.

[148] **Ms Gale:** A gaf i wneud un pwynt bach, bach hefyd? Mae Llywodraeth Cymru wedi gwneud ymchwil i edrych ar amrywiaeth yn y diwydiant, ac rydym ni'n croesawu hynny. Mae amrywiaeth a chydaddoldeb yn bwysig, bwysig i ni **Ms Gale:** May I make one very minor point, as well? The Welsh Government has carried out our research to look at the diversity in the industry, and we do welcome that. Diversity and equality are very important for us as unions, and we have been discussing



fel undebau, ac rydym ni wedi bod yn this issue for many years, and we've  
 eu trafod nhw ers blynyddoedd, ac yn been campaigning for that. But  
 ymgyrchu dros hynny. Ond cyn i ni before we ensure that that takes  
 sicrhau bod hynny'n digwydd—ac os place—and if we can have that take  
 ydym ni'n gallu cael hynny i place—we have to change the culture  
 ddigwydd—mae'n rhaid newid of the industry in terms of how they  
 diwylliant y diwydiant o ran y ffordd y employ people and the way that they  
 maen nhw'n cyflogi pobl, a'r ffordd y treat people. So, there's no point—  
 maen nhw'n delio â phobl. Felly, nid You mentioned something, David,  
 oes pwynt dod â—. Roedd ti wedi yesterday in the conference.  
 dweud rhywbeth da, David, ddoe, yn  
 y gynhadledd.

[149] What did you say about that elevator going in one door and out the other?

[150] **Mr Donovan:** We were talking, yesterday, about a sustainable workforce—

[151] **Bethan Jenkins:** We're running out of time now.

10:30

[152] **Mr Donovan:** Okay, very quickly, then—a sustainable workforce. That's at odds with the notion of taking a great deal of care and making sure that many young people get access—but we forget about what is sustainable. Those young people are in danger of being exploited and leaving the industry burnt out after three or four years, leaving the rump of these professional people increasingly ageing and leaving the industry in desperation. We need that holistic review.

[153] **Bethan Jenkins:** Diolch am y **Bethan Jenkins:** Well, thank you for  
 nodyn positif yna i orffen. that positive note to finish.  
 [Chwerthin.] Na; rwy'n cymryd y [Laughter.] No; we do take the point  
 pwynt yn ddifrifol. Diolch yn fawr very seriously. We would like to thank  
 iawn i chi am roi tystiolaeth. you for giving evidence. It could have  
 Roeddem wedi gobeithio ei wneud been quicker, but there was much to  
 e'n glouach, ond roedd gormod i'w be said. We accept that. We'd like to  
 ddweud. Felly, diolch yn fawr iawn thank you very much for your  
 am eich tystiolaeth yma heddiw. evidence today, and we hope that you  
 Rwy'n gobeithio y byddwch chi'n will take an interest in what is

cymryd diddordeb yn yr hyn sydd yn digwydd. Rydw i'n credu eich bod wedi dweud mewn ymateb i Lee Waters eich bod yn mynd i ddanfon mwy o dystiolaeth inni ynglŷn â sut yr ydych chi wedi defnyddio'r adroddiadau i roi tystiolaeth i—

happening. I believe that you said, in response to Lee Waters' question, that you would send us more evidence about how you have used the report to give evidence to—

[154] I'll say it in English. The association with the content quality and the funding.

[155] **Mr Donovan:** Yes, the funding and quality.

[156] **Bethan Jenkins:** So, we look forward to having that.

[157] Diolch yn fawr iawn. Rydym yn mynd i gael seibiant clou o ddwy funud. Diolch yn fawr iawn.

Thank you very much. We'll have a quick break of a couple of minutes. Thank you very much.

*Gohiriwyd y cyfarfod rhwng 10:31 a 10:39.  
The meeting adjourned between 10:31 and 10:39*

## **Dyfodol S4C—Sesiwn Dystiolaeth 6 The Future of S4C—Evidence Session 6**

[158] **Bethan Jenkins:** Diolch, ac rydym ni nawr mewn sesiwn gyhoeddus, ac ar eitem 3, sef dyfodol S4C, a sesiwn dystiolaeth 6. Croeso i Glyn Mathias, sef aelod o bwyllgor cynghori Ofcom ar gyfer Cymru; ac i Hywel Wiliam, sydd hefyd yn aelod o bwyllgor cynghori Ofcom ar gyfer Cymru. Croeso yma heddiw, ac rwy'n siŵr eich bod chi wedi bod yn gwrando ar y trafodaethau rydym ni'n eu cael ar hyn o bryd ar ddyfodol S4C. Mae Lee Waters yn mynd i gychwyn, gyda chwestiynau ar gefndir a pherfformiad S4C.

**Bethan Jenkins:** Thank you, and we are now in public session, and on item 3, on the future of S4C, and evidence session 6. I'd like to welcome Glyn Mathias, who is a member of the Ofcom advisory committee for Wales; and Hywel Wiliam, who is also a member of that committee. Welcome here today, and I'm sure that you have been listening to the discussions that we have been having on the future of S4C. Lee Waters will now begin with questions on the background and performance of S4C.

[159] **Mr Mathias:** Can I begin with a very brief statement? Is that possible?

[160] **Bethan Jenkins:** If it's brief, yes. We haven't had 'brief' this morning yet, so we would give you an award if you did do 'brief'.

[161] **Mr Mathias:** I just wanted to say that the Welsh advisory committee to Ofcom has raised the issue of the future of S4C, the funding of S4C, on repeated occasions over the last decade and in particular during the reviews of public service broadcasting by Ofcom. We have consistently argued for better funding, more sufficient funding, funding over a longer term for S4C, and we have repeatedly argued for the maintenance of the independence of S4C. If I can just say, on a personal note, that I was there in 1980 at the beginning, when the Conservative Government did a second u-turn on the establishment of a Welsh language channel, and I interviewed Nicholas Edwards, the then Secretary of State, who did his best to explain it away without mentioning Gwynfor Evans. But we are fully appreciative that S4C is now part of the fabric of the nation, but that does not mean it has to be treated like a sacred cow. I hope that the review, when it comes, will look at all aspects of S4C to ensure that it has a real future.

[162] **Bethan Jenkins:** Diolch yn fawr **Bethan Jenkins:** Thank you very much  
iawn am y datganiad hynny. for that statement.

[163] **Lee Waters:** Thank you very much for your evidence. Just to take you up on that opening point, Glyn Mathias, given that you have been raising this consistently, why has Ofcom not taken a more robust stance?

[164] **Mr Mathias:** On what in particular?

[165] **Lee Waters:** On the issue that you've raised.

[166] **Mr Mathias:** As part of the reviews of public service broadcasting, Ofcom has always included S4C in its reports and on the performance of S4C in its reports.

[167] **Lee Waters:** Have they reflected the views of the advisory committee for Wales?

[168] **Mr Mathias:** Well, we are advisers and we always hope that they will reflect what we say as much as they can. I can't now quote you word for word how much they did report of what we said.

[169] **Lee Waters:** Did they take on board the spirit of your points?

[170] **Mr Mathias:** Yes, I think they did.

[171] **Mr Wiliam:** Rôl o wneud **Mr Wiliam:** We have a role of making argymhellion sydd gan y pwyllgor. recommendations as a committee. Nid yw Ofcom yn gorfod dilyn beth Ofcom don't have to follow our rŷm ni'n ei argymell, ond maen nhw recommendations, but they certainly yn bendant yn gwrando ar beth rŷm do listen to what we say. ni'n ei ddweud.

[172] **Lee Waters:** So, moving more generally now into the current position of S4C, clearly one of the main problems that they have is the diverse nature of their audience and their ability to meet all their needs. Could you give us a snapshot of how well you think they're doing that and whether or not that very fact that they have to do that, on the basis of one television channel, is a manageable task?

[173] **Mr Wiliam:** Mae'n bwysig **Mr Wiliam:** It's important to bear in ystyried beth yw rôl rheoleiddiwr fan mind the role of a regulator here, and hyn, a gallwn ni ddim siarad am we can't speak on behalf of the reoleiddiwr jest fel corff regulator, just as an advisory body. ymgynghorol. Mae'n bwysig It's important to differentiate gwahaniaethu rhwng rheoleiddio ar between regulation on the one hand, un llaw, a llywodraethiant a rheoli ar and governance and management on y llaw arall. Ni fydd yna fyth rôl gan the other. Ofcom would never have a Ofcom i redeg gwasanaeth nac i'w role in running a service or managing reoli mewn unrhyw ffordd; yr unig rôl it in any way; its role would be in fyddai i'w reoleiddio fe. regulating that service.

[174] Nawr, os ydych chi'n edrych ar Now, if you look at the legislation, on y ddeddfwriaeth, ar bapur mae gan paper Ofcom has broad-ranging Ofcom gyfrifoldebau helaeth iawn o responsibilities in terms of regulating ran rheoleiddio'r gwasanaeth, ond, the service, but, on a practical level, yn ymarferol, mae'r rheini'n cael eu they are carried out with quite a light cario mas mewn ffordd sy'n reit touch and depend far more on the ysgafn ac, mewn gwirionedd, yn organisation itself, namely S4C, to dibynnu llawer mwy ar y corff ei carry out its own duties. hunan—S4C felly—i gario mas eu dyletswyddau nhw.

[175] Rŷm ni, bob blwyddyn, yn cynhyrchu adroddiad sy'n edrych ar y ffordd y mae cylch gwaith darlledu gwasanaeth cyhoeddus yn cael ei ddarparu ar draws y Deyrnas Unedig, ac mae'r adroddiad yna bob amser yn cynnwys adroddiad ar S4C. Yn hynny, mae yna ffeithiau am yr allbwn, am y ffordd y maen nhw wedi cadw at unrhyw gwtâu rŷm ni wedi'u gosod ac unrhyw elfennau eraill o ran yr allbwn rŷch chi'n gallu ei fesur. Maent yn cael eu cynnwys yn yr adroddiad hwnnw. Ond rwy'n derbyn ei bod yn arolwg eithaf ysgafn mewn ffordd, ond mae'n rhoi'r ffeithiau i chi o ran y cefndir o ran allbwn. Yn sicr, o safbwynt Ofcom dros y blynyddoedd, nid oes yna unrhyw gwestiynau sylweddol wedi codi, mor belled ag ydw i'n ei wybod, o ran gallu S4C i wneud y gwaith yma o ddarparu gwasanaeth mewn ffordd ddigonol.

We produce a report annually that looks at the way in which the remit of public service broadcasting is provided across the UK, and that report always includes a report on S4C. There are some facts on the output, on the way that they have kept to any quotas that have been set and other elements that are measurable in terms of output. They're all included in that report. I do accept that it's quite a light-touch overview, but it does give you the facts in terms of the output. Certainly, from the point of view of Ofcom over the years, there have been no significant questions raised, as far as I know, in terms of S4C's ability to carry out this work of providing service in an adequate way.

[176] **Lee Waters:** I understand it's important you make the distinction between your role as an advisory body and Ofcom's role as a regulator. I'm less interested in Ofcom's role as a regulator, and more in your role as an advisory body, given the analysis that you have access to and your collective experience of the industry.

[177] **Mr Wiliam:** Okay, sorry.

[178] **Lee Waters:** So, will you just give us your sense of the challenges facing S4C, the changing demands of the audience and how well you feel this kind of remit and set-up enables it to meet those?

[179] **Mr Mathias:** I think your question relates to the current remit of Ofcom and whether or not that is sufficient. Our view, I think along with many others, is that the remit is now out of date. It refers, in terms of public

service broadcasting, just to the terrestrial channel. We're now a multiplatform world, with online and other platforms. S4C must be able, in future, to have a far more wide-ranging remit, which enables them to tackle and spread their programmes and the information that they provide across all platforms.

10:45

[180] **Mr Wiliam:** A allaf i adio at hynny? Y drafferth ar hyn o bryd yw nad yw'r cylch gwaith yn rhoi'r cyfle mewn ffordd i S4C arloesi tu hwnt i gyflawni gwasanaeth teledu confensiynol. Mae hynny, erbyn hyn, yn edrych yn hen ffasiwn iawn. Er enghraifft, rydym ni'n meddwl y dylai S4C efallai gael y rhyddid i gynhyrchu cynnyrch na fyddai'n cael ei ddarlledu o reidrwydd—byddai jest yn mynd ar-lein neu ar y nifer o lwyfannau eraill neu ar lwyfannau newydd sydd heb eu datblygu eto. Hynny yw, mae angen llawer mwy o hyblygrwydd creadigol, rwy'n credu, ar S4C. Felly, rwy'n cytuno â Glyn bod angen edrych yn ofalus ar y cylch gwaith ar gyfer y dyfodol, yn bendant.

**Mr Wiliam:** May I add to that? The difficulty at present is that the remit doesn't provide the opportunity in a way for S4C to innovate beyond just meeting the conventional requirements of a television channel. By now, that appears quite old fashioned. For example, we feel that S4C should perhaps have the freedom to produce content that would not necessarily be broadcast, but would just be put online or on other platforms or on new platforms that have yet to be developed. That is, there is a need for greater creative flexibility, I think, for S4C. So, I would agree with Glyn that we need to look very carefully at the remit for the future, certainly.

[181] **Lee Waters:** Thank you. Those are all important points, but the point I was really trying to get at is your sense of what the current needs of the users are and how S4C meets them.

[182] **Mr Wiliam:** Mae hwnnw'n bwynt da. Er enghraifft, ar hyn o bryd, fe allech chi ddadlau bod yna lot fawr o ailddarlledu yn digwydd ar S4C. Mae'n hollol amlwg i fi ein bod ni'n dod mewn i'r sefyllfa yma oherwydd prinder adnoddau a phrinder arian a hefyd, rwy'n credu, yr ansicrwydd ynglŷn ag ariannu S4C.

**Mr Wiliam:** That's a good point. For example, currently, you could argue that there are a great deal of repeats being shown on S4C. It's quite obvious to me that we have been brought into this situation because of a lack of resources and a lack of funding and also, I think, because of the uncertainty about the funding of

## S4C.

[183] Sut y gall unrhyw ddarlledwr weithredu ar sail ddim gwybod yn llwyr beth fydd eu harian nhw o flwyddyn i flwyddyn? Mae darlledwyr yn gorfod cynllunio ymlaen dros gyfnodau hir iawn, cyfnodau o sawl blwyddyn. Os ŷch chi'n comisiynu drama neu rywbeth mae'n rhaid ichi gynllunio hynny dros gyfnod o sawl blwyddyn. Nid yw jest yn ddigon da i gael sefyllfa lle nad ŷch chi'n gwybod beth yw eich incwm chi o flwyddyn i flwyddyn.

How can any broadcaster work on a basis where you don't entirely know what funding you'll receive year on year? Broadcasters have to plan ahead over long periods, periods of many years. If you're commissioning a drama, for example, you have to plan that over a period of many years. It's just not good enough, I believe, to have a situation where you don't know what your income will be from year to year.

[184] Felly, mae'r fath yna o gyfyngiadau, yn amlwg, yn ogystal â'r toriadau, wrth gwrs, hanesyddol y mae'r gwasanaeth wedi eu wynebu dros y blynyddoedd, yn amlwg wedi cael effaith ar yr allbwn.

So, that type of restriction, in addition to the historic cuts the channel has faced over the years, has had an impact on the output.

[185] **Lee Waters:** That's also an important point, but—sorry, I'm not expressing myself particularly well. I'm interested in what you know about the changing needs of the users, the viewers, and the changing nature of the marketplace and is S4C rising to that challenge.

[186] **Mr Mathias:** There are two issues. One is the domestic Welsh audience—. I'm not quite sure exactly what you're getting at, but there is an issue around the extent to which S4C does provide enough programming for learners—people whose Welsh is not 100 per cent, like mine. I think that's arguably—or some people argue, and I think I tend to agree, that they could do more in that direction.

[187] There's also their audience across the UK and, indeed, across the world, which they access through programmes being on other platforms and also online. They need more commercial freedom to exploit these new or extra audiences.

[188] One of the comparisons that is worth looking at is Channel 4. Channel

4 has a number of portfolio channels, which are commercial operations and not public service broadcasting. The argumentation for the ability to have these extra commercial portfolio channels is that the funding they produce can then go into servicing and extra funding for the main channel.

[189] S4C has a commercial fund. Last time I saw, it was about £25 million. I personally am not clear to what purpose they put this commercial fund. I think, partly, they are constrained by the legal restrictions around what they can use it for, but, if they had more commercial freedom, they could use that commercial freedom, maybe with another channel, maybe by expanding in different directions, and the funding from commercial operations could then go into helping to fund the main channel. The restrictions at the moment do not permit them to do a lot of that.

[190] **Lee Waters:** Just finally from me, just in terms of the commercial point, because S4C's own evidence to us is they didn't think there was much room for further commercial expansion—they thought the room for the market was just 2 per cent to 3 per cent more than what they have now. So, they thought there was a very limited commercial market for them.

[191] **Mr Wiliam:** Mae hwnnw'n wir o bosib o safbwynt, er enghraifft, cael mwy o arian i hysbysebu a nawdd ac yn y blaen. Ond rwy'n credu mai'r pwynt y mae Glyn yn ei wneud, ac fe fyddwn i'n cytuno ag ef, yw bod yna efallai mwy o le i ystyried dod mewn â gwasanaethau newydd a datblygu ffyrdd newydd o ddatblygu gwasanaethau masnachol.

**Mr Wiliam:** That is possibly true from the point of view of getting more advertising income and sponsorship and so on. But I think the point that Glyn is making, and I'd agree with him, is that there is perhaps more scope to consider bringing in new services and developing new ways of providing commercial services.

[192] Ond, i wneud hynny, mae angen rhyddfrydoli yn eithaf eang y cyfyngiadau sydd ar S4C ar hyn o bryd o ran eu pwerau masnachol nhw. Nid ydyn nhw'n gallu benthyg arian, er enghraifft, ac mae problemau fel hynny yn ei wneud yn anodd iawn iddyn nhw weithredu mewn ffordd fasnachol. Byddai'r rhyddid sydd efallai gan Channel 4,

But, to do that, you need quite wide liberalisation of the limitations on S4C at present in terms of their commercial powers. They can't borrow, for example, and problems such as this make it very difficult for them to work commercially. The freedom that Channel 4 has would be of great assistance to S4C.



rwy'n credu, yn help mawr i S4C.

[193] A allaf i wneud un pwynt arall, Lee, ynglŷn â'r pwynt y gwnes di am y gynulleidfa? Rŷm ni'n gwybod am ymchwil, er enghraifft, cwmni Enders Analysis yn Llundain, fod y nifer fawr o bobl sydd yn gwylio teledu yn lleihau. Rŷch chi'n gallu gweld bod y ffigurau yn dangos bod y bobl o dan 40, ac yn sicr o dan 30—mae lot yn llai ohonyn nhw'n gwylio teledu confensiynol.

[194] If I can just make one other point, Lee, on the point you made about the audience? We know from research, for example, from Enders Analysis in London—independent companies such as them—that the number of people watching television is reducing. You can see that the figures demonstrate that those under 40, and certainly under 30—far fewer of them watch conventional television these days.

[195] Pan fydddech chi'n mynd i mewn i edrych ar y ffigurau'n fwy gofalus, rydych chi'n gallu gweld eu bod nhw yn gwylio cynnwys teledu, ond mewn ffyrdd newydd—maen nhw'n mynd ar lwyfannau gwahanol ac maen nhw'n defnyddio gwasanaethau fel S4C ar alw, er enghraifft, ac mae gwasanaethau fel yna yn tyfu. Er ei fod yn tyfu o *base* isel, rych chi'n gallu gweld y newid mawr sy'n digwydd a nifer y bobl sydd yn nawr yn mynd i BBC iPlayer i weld rhaglenni S4C a hefyd S4C ar-lein fel arwyddion o sut y mae cynulleidfaoedd yn newid eu harferion a'u ffordd nhw o wyllo cynnwys teledu.

When you actually dig into those figures, they do watch television content, but in different ways—they're on various platforms and they use services such as S4C on demand, and services like that are growing. Although it's growing from quite a small base, you can see the huge change in the number of people going to BBC iPlayer to watch S4C's output and S4C online, or Clic, as signs that audiences are changing their practices and how they actually watch television.

[196] **Bethan Jenkins:** Rwy'n credu ein bod ni wedi cael ateb ynglŷn â'r cylch gwaith statudol, ond a oes unrhyw beth ychwanegol i ti ei ofyn, Dawn?

**Bethan Jenkins:** I think we've had an answer on the statutory remit, but is there anything that you'd like to add, Dawn?

[197] **Dawn Bowden:** No, that's fine, thank you.

[198] **Bethan Jenkins:** Grêt, diolch yn fawr. Rŷm ni'n symud ymlaen at gyllid—rŷm ni wedi cychwyn ar gyllid ta beth. Suzy.

**Bethan Jenkins:** Okay, thank you. We'll move on to funding, as we've started on that topic. Suzy.

[199] **Suzy Davies:** I'd like to ask you a little bit more about this funding, because what you're saying about Channel 4, and the difference between it and S4C and its ability to raise commercial revenue, I think is particularly interesting and is under-explored at the moment. Obviously, the current remit limits S4C in what it can do, but the change in the remit is an opportunity to completely change that.

[200] One of the issues that we've looked at is the intellectual property rights—of course, the content—which sit primarily with production companies at the moment. That's felt to be under-exploited and we've had evidence from S4C themselves that perhaps they could come into some sort of partnership to help release the economic potential of some of the content that S4C commissions. Do you think that that would fit into a new funding model for S4C? Is it worth exploring? How pluralistic should the funding model for S4C be in the future with its potential new remit?

[201] **Mr Wiliam:** Mae'n werth meddwl yn eang—mae'n werth ystyried arloesi a bod yn radical fan hyn. Rwy'n credu bod yna resymau pam roedd y model ariannu wedi newid o safbwynt y cynhyrchwyr annibynnol, achos, ar y pryd, pan wnaeth Ofcom edrych ar hyn yn wreiddiol, roedd yn amlwg fod y pŵer comisiynu i gyd gyda'r darlledwyr. Fel rhan o'r broses o wneud tir mwy teg, o safbwynt y cynhyrchwyr annibynnol, fe wnaeth Ofcom ystyried y pŵer prynu a oedd gan y darlledwyr a sut oedd rhai, felly, yn rhoi mwy o bŵer yn nwylo'r cynhyrchwyr annibynnol drwy roi'r hawl iddyn nhw ddal ymlaen i gynnwys eu rhaglenni nhw a jest rhoi

**Mr Wiliam:** It's worth thinking broadly—it's worth considering innovation and being radical here. I think that there are reasons why the funding model changed in terms of the independent producers, because, at the time, when Ofcom looked at this initially, it was obvious that all of the commissioning power lay with the broadcasters. As part of the process of making it fairer for the independent producers, Ofcom did consider the buying power that the broadcasters had and how they could put more power in the hands of the independent producers by giving them the right to hold on to the content of their programmes and then giving a licence to the

trwydded i'r darlledwyr ddarlledu am gyfnod arbennig. broadcasters for a specified period of time.

[202] Mae'r cytundebau'n fwy cymhleth. Mae yna gytundebau sydd yn rhoi'r hawl i'r darlledwyr gymryd mantais o'r drwydded yma dros dymor byr ac wedyn bod y peth yn mynd yn ôl at y cynhyrchwyr annibynnol ar ôl y cyfnod hwnnw. Mae'r rhyddid gyda nhw, wedyn, yn fasnachol, i drïo datblygu'r cynnwys yna mewn ffyrdd gwahanol. Er enghraifft, mae rhai cwmnïau annibynnol wedi bod yn rhoi cynnwys ar-lein i ddechrau ac arbrofi gydag hynny, gyda chynyrchiadau fel 'Dim Byd', er enghraifft, gan Cwmni Da, lle'r oedden nhw'n gallu edrych ar hwnnw fel rhywbeth ar-lein i ddechrau ac wedyn ei weld yn esblygu i fod yn rhaglen deledu yn hwyrach—a'r ffordd arall rownd, wrth gwrs. Felly, y bwriad mewn gwirionedd oedd creu tirwedd fwy teg a mwy gwastad o safbwynt y cynhyrchwyr annibynnol. The agreements are more complex. There are agreements that give broadcasters the right to take advantage of this licence over the short term and then it reverts to the independent producers after that period of time. They then have the freedom commercially to try to develop that content in different ways. For example, some independent companies have been putting content online initially and have started experimenting with that, with productions like 'Dim Byd', for example, by Cwmni Da, where they put that online to start with and then saw it develop into a television programme later—and that's happening the other way around, of course. The intention was to make a fairer playing field in terms of the independent producers.

[203] **Suzy Davies:** Yes, I completely accept that, but we've also had evidence that any new remit is an opportunity to help engender the growth of lots of new production companies, which, by their very nature, would be small and inexperienced to start with. So, it is a question of how people can work together to get the best out of the commercial value of anything that might be either on the digital platforms or on the television. More generally about this pluralistic model of financing, are you concerned or are you delighted by the present set-up, for example—the Government, the licence fee and the commercial input to S4C's budget?

[204] **Mr Mathias:** Are you talking about the current governance and regulation of S4C—?

[205] **Suzy Davies:** No—the actual financial model at the moment and how it's financed. Are there any risks to keeping it as it is, or is it pretty sound?

[206] **Mr Wiliam:** Mae yna blwraliaeth yn y ffordd y mae S4C yn cael ei ariannu, wrth gwrs—hynny yw, mae'r swm sy'n dod o'r Llywodraeth drwy'r DCMS ac wedyn y swm drwy'r ffi drwydded, er enghraifft. **Mr Wiliam:** There is plurality in the way that S4C is funded, of course—there is funding provided through the DCMS and then there's that through the licence fee as well.

[207] Roedd yn dda i weld yn y cytundeb fframwaith newydd sydd wedi bod mewn lle nawr ar gyfer y BBC, ac sydd yn mynd ochr yn ochr â'r siartr newydd, fod cymal 39 o'r cytundeb yna yn gosod allan y berthynas bosib a fydd rhwng S4C a'r BBC. Yn hwnnw, maen nhw'n sôn am ddyfodol cyfraniad y ffi drwydded i S4C, sydd, fel rŷch chi'n gwybod, wedi'i amddiffyn nes bod 2022. Ond mae'n mynd yn bellach ac yn dweud, yn dibynnu ar yr adolygiad, y bydd beth bynnag fydd canlyniad yr adolygiad hwnnw hefyd yn cael ei adlewyrchu yn y fframwaith nes bod 2028. Wrth gwrs, rŷm ni'n croesawu hynny—mae hynny'n beth da, rwy'n credu, o ran amrywiaeth. It was good to see in the new framework agreement, which has now been in place for the BBC and that runs alongside the new charter, that clause 39 of that agreement sets out the possible relationship between S4C and the BBC. In that, they do talk about the future of the licence fee contribution for S4C, which, as you know, is ring-fenced until 2022. But it goes further and says that, depending on the review, whatever is the outcome of that review will also be reflected in the framework until 2028. Of course, we welcome that—that is positive in terms of plurality.

[208] Rwy'n credu ei fod yn bwysig iawn, wrth symud ymlaen, fod yna lawer mwy o sicrwydd ynglŷn â'r ffordd y mae S4C yn cael ei ariannu o ran y fformiwla, ac o ran y ffordd y maen nhw'n pennu'r arian. Hynny yw, beth yw ystyr ariannu digonol? Mae hwn yn gwestiwn—. Mae'n gyfrifoldeb penodol ar yr Ysgrifennydd Gwladol, ond beth y byddwn i'n hoffi ei weld yw ein bod I think, in moving forward, it's very important that there's a great deal more assurance in terms of the way S4C is funded, in terms of the formula and the way they decide on the funding. What is the meaning of adequate funding? This is a question—. There's a specific responsibility on the Secretary of State, but what I would like to see is that we reach a point where there is a

ni'n cyrraedd y pwynt lle mae yna clear formula in place, which fformiwla bendant a chlir yn cael ei provides assurance, is long term, and sefydlu, sydd yn rhoi sicrwydd, sydd can't face any political interference in yn hirdymor, ac efallai sydd y tu hwnt the short term. wedyn i gael ei hymyrryd â hi yn wleidyddol mewn termau byr amser, felly.

[209] **Suzy Davies:** Okay, thanks. Yes, I thought your point on the funding cycle was quite interesting as well. Thank you.

[210] **Bethan Jenkins:** Diolch. Rydym ni yn symud ymlaen i'r llywodraethu ac atebolrwydd nawr, byddwch chi'n falch o glywed, ac mae Dai Lloyd yn arwain ar hyn. **Bethan Jenkins:** Thank you. We will move on to governance and accountability now, you'll be glad to hear, and Dai Lloyd will lead on this.

[211] **Dai Lloyd:** Diolch, Cadeirydd. A oes gyda chi farn, felly, ar effeithiolrwydd trefniadau llywodraethu presennol S4C, cyn i ni fynd ymlaen i feddwl am y dyfodol? Beth yw'ch barn chi ynglŷn ag effeithiolrwydd trefniadau llywodraethu presennol S4C? **Dai Lloyd:** Thank you, Chair. Do you have a view, therefore, on the efficiency of the current governance arrangements of S4C, before we move on to think of the future? What is your view on the effectiveness of the current governance arrangements of S4C?

[212] **Mr Mathias:** Well, I think, although governance and regulation are separate issues, they are linked. In my view, and I've believed this for a very long time indeed, no broadcaster should be self-regulating. I've always believed in external regulation of broadcasting companies, and I never believed the special pleading from the BBC when they resisted it for so long. The same applies to S4C, as far as I'm concerned—it should be transparently and overtly externally regulated. That clearly means that the S4C Authority, in its current role, would not continue, if the basic regulatory role is from, for example, Ofcom—I would say that, wouldn't I? But, since Ofcom now regulates every other broadcaster in the United Kingdom, it makes clear sense for Ofcom to regulate S4C. That clearly means that the position of the S4C Authority would have to be examined very, very closely indeed.

[213] What follows from that is that we'll need, therefore, to look at what alternative forms of regulation there might be from Ofcom. Again, I would

encourage you to look at Channel 4, where there is an annual review of Channel 4's performance, and Channel 4 has to be accountable to Ofcom for delivering against the remit that it has been given by Ofcom—relatively light touch, but I've sat through those; it's not easy. In my view, that would probably be the most sensible model for S4C.

[214] **Dai Lloyd:** Diolch yn fawr.

[215] **Bethan Jenkins:** Sorry, just on this, Hywel Wiliam has already said that you've got that light-touch approach, so what would be new in any new set-up?

[216] **Mr Mathias:** Although, technically, under the legislation, Ofcom has greater powers of intervening in S4C than they did under the old regime with the BBC, in practice that doesn't happen, and it's entirely a legalistic point in terms of the Act. In practice, it's the S4C Authority that is the current regulator for S4C.

[217] **Mr Wiliam:** I symud y pwynt ymlaen efallai—rwy'n gweld beth rydych chi'n ei ddweud—mewn ffordd, bydd e'n fater, rwy'n credu, i'r Llywodraeth a'r Senedd yn San Steffan i edrych ar, efallai, dau fodel gwahanol, mewn ffordd, ar gyfer dyfodol rheoleiddio S4C. Un fyddai cymryd sefyllfa lle rydych chi'n mynd lawr tuag at y model sydd gyda sianel pedwar, Channel 4, lle mae ganddo chi system o drwydded gan Ofcom sy'n gosod allan amodau, neu fodel sy'n mynd i fod efallai'n fwy agos i sefyllfa fydd yn y BBC ar ôl Ebrill, lle mae ganddo chi oblygiadau statudol yn bodoli'n barod—ac rwyf wedi dweud bod y rhain yn helaeth iawn mewn achos S4C—a'ch bod chi'n adeiladu fframwaith fwy tebyg i'r ffordd y bydd y BBC yn cael ei reoleiddio gan Ofcom, a fydd wedi'i seilio'n fwy ar bartneriaeth a

**Mr Wiliam:** To move the point forward—I understand your point—in a way, it will be a matter for the Government and Parliament in Westminster to look at two different models for the regulatory future of S4C. One would be taking a situation where you're moving towards a model that you have with Channel 4, where you have an Ofcom licence that sets out the terms, or a model that is closer to the situation within the BBC post-April, where you have statutory obligations—as I've said, these are very broad in terms of S4C—and that you build a framework that is more similar to the regulation of the BBC through Ofcom, which will be more based on partnership and agreement in terms of what the new remit of S4C would be, and then measure the way in which they have been able to deliver on that remit

chytundeb ynglŷn â beth fydd cylch gwaith newydd S4C, ac wedyn mesur y ffordd y maen nhw wedi gallu gwneud y cylch gwaith yna am gyfnod blynyddol gan y rheoleiddiwr, felly.

annually, in terms of the regulator.

[218] **Bethan Jenkins:** Sori, Dai.

**Bethan Jenkins:** Sorry, Dai.

[219] **Dai Lloyd:** Ie, popeth yn iawn—rydych chi wedi, o leiaf, lleihau un o'r cwestiynau roeddwn yn mynd i'w gofyn. Diolch yn fawr, Cadeirydd, rydym ni'n meddwl ar yr un linell, ac ar yr un dudalen o'r llyfr emynau fanna yn gyfan gwbl. [*Chwerthin.*] Reit. Yn nhermau'r byd newydd arwrol yma, a gweld rôl, felly, i Ofcom yn y system lywodraethu newydd yma, a allwch chi gadarnhau, petai hynny'n dod o gwmpas, bod y pŵer a'r capasiti gan Ofcom i gyflawni beth rydych chi newydd sôn amdano fe yn nhermau S4C?

**Dai Lloyd:** That's fine—you have removed one of the questions I was going to ask, Chair. I think we were thinking along the same lines, and on the same page of the hymn book, as it were. [*Laughter.*] Right. So, in terms of this brave new world, and seeing a role for Ofcom in this new governance system, could you confirm, if this were to come about, that the power and the capacity reside within Ofcom to be able to fulfil what you've just talked about in terms of S4C?

[220] **Mr Wiliam:** Mae'n gyfuniad. Mae yna bwerau helaeth yn bodoli'n barod. Ond, yn sicr, ar ôl canlyniad yr adolygiad, byddai'n rhaid edrych eto ar ddeddfwriaeth bellach, rydw i'n credu.

**Mr Wiliam:** It's a combination. There are broad-ranging powers in existence already. But, certainly, with the result of the review, we would have to look at further legislation, I believe.

[221] **Mr Mathias:** As I understand it, the structure of S4C is established in legislation in the Communications Act 2003. So, any change to the structure of regulation and of governance of S4C would rely on legislation to implement it.

11:00

[222] **Dai Lloyd:** Ocê. Symud ymlaen i faterion ychydig bach yn fwy

**Dai Lloyd:** Okay. Moving on to slightly more general issues, how

cyffredinol, pa mor bwysig yn eich important in your view is the  
 tyb chi ydy annibyniaeth S4C o ran ei independence of S4C in terms of its  
 gallu i ddarparu gwasanaeth yn y ability to provide a service through  
 Gymraeg, o gofio taw dyma'r unig the medium of Welsh, bearing in  
 sianel sy'n darparu gwasanaethau yn mind that this is the only channel  
 yr iaith Gymraeg drwy'r holl fyd? Pa that provides Welsh language  
 mor allweddol bwysig, yn eich tyb services throughout the whole wide  
 chi, ydy annibyniaeth S4C? world? How crucial, in your view, is  
 the independence of S4C?

[223] **Mr Mathias:** It's absolutely vital. We have always argued for the continued independence of S4C, and what is encouraging is that, in the partnership framework agreement with the BBC, the BBC do undertake to preserve the independence—they acknowledge the independence of S4C. My own view is that that's not enough. The dominance of funding from the BBC clearly leaves the potential for the BBC to use its greater power to lever things out of S4C that they might not want to concede. I'm sure they don't intend to do that, but the sheer size of BBC funding in relation to the DCMS funding clearly makes that a possibility. My own view is that any new system of regulation—for the sake of argument, it is Ofcom—that that new form of regulation should have in it an obligation to preserve the independence of S4C.

[224] **Dai Lloyd:** Diolch yn fawr.

[225] **Lee Waters:** Can I just come in very briefly to play devil's advocate on that point? It's a point I've put to others—why is independence in itself so important? Couldn't you argue that so long as the view is that Welsh speakers and potential Welsh speakers get engaging services, does it really matter where they come from?

[226] **Mr Mathias:** I think there's a political imperative here. You may be right in purely broadcasting terms, but there's a political imperative. You have to assure Welsh speakers in Wales that they will continue to receive the kind of service that they currently receive, and an acknowledgement of the continued independence of S4C is a way of doing that.

[227] **Lee Waters:** Okay, thank you.

[228] **Bethan Jenkins:** Diolch yn fawr **Bethan Jenkins:** Thank you very iawn. much.



[229] **Dai Lloyd:** Roedd gen i un **Dai Lloyd:** I just had one other cwestiwn bach arall, os y caf i, question, if I may, Chair. Cadeirydd.

[230] **Bethan Jenkins:** Sori, nid **Bethan Jenkins:** Sorry, I didn't realise oeddwn i'n sylweddoli fod gennych that we'd skipped a question. chi gwestiwn arall.

[231] **Dai Lloyd:** I feddwl ein bod **Dai Lloyd:** To think that we're still on ni'n dal ar yr un dudalen yn y llyfr the same page of that hymn book. emynau yna.

[232] **Bethan Jenkins:** Dim nawr. **Bethan Jenkins:** Perhaps not now. [*Chwerthin.*] Caria ymlaen. [*Laughter.*] Carry on.

[233] **Dai Lloyd:** A oes gennych farn **Dai Lloyd:** Do you have a view, ynglŷn â lle dylai'r cyfrifoldeb dros therefore, about where the S4C lechu—yn Llundain, fel y mae ar responsibility for S4C should lie—hyn o bryd, ynteu yn y lle hynafol should it be in London, as it is bendigedig yma? [*Chwerthin.*] currently, or should it be in this wonderful ancient place? [*Laughter.*]

[234] **Mr Mathias:** I think you tempt us into a political statement about devolution of broadcasting powers to Cardiff.

[235] **Bethan Jenkins:** That would be a first for Ofcom. [*Laughter.*]

[236] **Mr Mathias:** I note that this was in the Silk commission—this particular point—but as an advisory committee I don't think we're going to express a view on that.

[237] **Dawn Bowden:** Nice try, Dai. [*Laughter.*]

[238] **Bethan Jenkins:** Rwy'n credu **Bethan Jenkins:** I think we've ein bod ni wedi trafod y materion yn discussed the issues in relation to the ymwneud â'r berthynas gyda'r BBC, relationship with the BBC, so we'll felly rydym yn symud ymlaen at move on to visibility, and Hannah will welededd, ac mae Hannah yn arwain lead on this. ar hynny.

[239] **Hannah Blythyn:** I thought I was leading on visibility.

[240] **Bethan Jenkins:** Yes.

[241] **Hannah Blythyn:** It's because I didn't have my headphones on. Sorry—ignore that. [*Laughter.*] I think at the outset my colleague, Lee Waters, was referring to the changing needs, and the way that people consume content has changed over the last few years, with more people consuming, looking and watching online rather than in more traditional formats. I think public service broadcasters like S4C face particular challenges with the rise of smart tvs, which give prominence to the likes of Netflix and Amazon—you know, if you go on to iPlayer, you've got to know where S4C is positioned on that and scroll through it. Do you have any views on how that could potentially be improved? We had BECTU in here previously, and they said that it needed to have legislation, because there is no level playing field in terms of the amount of money you'd need to throw at the makers of the smart tvs to get that prominence, so I just thought that I'd throw that in there as well.

[242] **Mr Mathias:** I think there are three broad points here. Let's deal first with EPGs, the electronic programme guides. There have been some complaints from S4C in the past that they haven't achieved sufficient prominence on some platforms. I'm not quite sure they're so concerned about it by this time, but there has been a problem in the past. The problem is here that Ofcom does not have sufficiently clear powers to deal with the platforms over EPGs. They have to have EPGs—the platforms—but Ofcom cannot order them to place channels in particular orders. There has been the opportunity to change that in the current Digital Economy Bill going through Parliament—in fact, I think it was debated in the House of Lords quite recently—but, as I understand it, the Government is not intending to do anything about that. So, the position will remain as it is.

[243] On smart tvs, here there is primarily a problem of jurisdiction. If your smart tv is made in Korea, we can't tell them how to make it. Since they're imported into the European Union, the only way you can stop them coming in is through import regulations, which have to be agreed, for the time being, on a Europe-wide basis. So, at the moment, there is nothing we can do about smart tvs. I think that is the biggest danger. You're absolutely right: it's a huge danger. I've been to many houses where the EPG is simply not on the front page anywhere; it's buried somewhere two pages down. It is a serious issue, but it doesn't just affect S4C, let's be absolutely clear: it affects every public service broadcaster. The visibility of the public service broadcaster is

going to be diminished successively over the years to come.

[244] **Mr Wiliam:** Mae'n werth ychwanegu hefyd, wrth gwrs, fod gallu corfforaeth fel S4C i ddatblygu apiau ar gyfer setiau teledu clyfar yn gyfyngedig, achos eto mae arian yn brin. Efallai y bydd yna gyfleoedd masnachol yn y maes yna yn y dyfodol, ond ar hyn o bryd mae'n anodd iawn i S4C ddatblygu fersiwn gwahanol o bob ap ar gyfer pob gwneuthurwr setiau clyfar sydd yn bodoli.

**Mr Wiliam:** It is worth adding as well that the ability of an organisation such as S4C to develop apps for smart television sets is limited because, again, funding is limited. There may be commercial opportunities in that area in future, but currently it's very difficult for S4C to develop an app for every manufacturer of smart tvs in existence.

[245] Un mantais sydd gan S4C yw eu bod nhw wedi gallu cael lle ar iPlayer y BBC. Mae hynny yn tueddu i fod ar bob set a phob llwyfan. So, mae hynny wedi bod yn ffordd o roi amlygrwydd i wasanaeth S4C, trwy'r iPlayer, sy'n beth da. Ond wrth gwrs nid oes yna ddim incwm masnachol i S4C o wneud hynny.

But one advantage that S4C does have is that they have been able to get a place on the BBC's iPlayer, and that tends to be available on all platforms. So that does give some visibility to S4C's programmes, which is of course a good thing. But there is no commercial advantage to S4C from doing that.

[246] Un cwestiwn y byddwn i yn codi o safbwynt amlygrwydd S4C yn y cyd-destun yna yw: os ydych chi'n ystyried newidiadau a all ddigwydd i BBC Cymru cyn bo hir, gyda mwy o arian yn dod i wneud rhaglenni, er enghraifft, rhaglenni drama, maen nhw'n sôn hefyd am fwy, efallai, o gyfrifoldeb ynglŷn â'r iPlayer yng Nghymru. Nawr, pe bai hynny'n digwydd, rwy'n credu y byddai lle wedyn ar dudalen flaen yr iPlayer i roi mwy o amlygrwydd i raglenni S4C. Rydw i yn credu y byddai hynny yn beth gwerthfawr iawn i'w wneud. Ond fel mae'n sefyll, wrth gwrs, mae'n

One question that does arise from the visibility of S4C in that context is: if you consider the changes that could happen with BBC Wales soon, with more money coming in to make programmes, for example, drama, there is also talk of greater responsibility for the iPlayer in Wales. Now if that were to happen, I think there would be a place on the front page of the iPlayer to give greater prominence to S4C's programmes, and I think that would be a valuable step. But as it stands, of course, it's good to see that that iPlayer is at least available on many platforms

dda, felly, i weld bod yr iPlayer o leiaf yn gallu mynd ar lot o lwyfannau efallai y byddai S4C ar ei ben ei hun yn methu fforddio gwneud.

[247] Ond rydw i yn cytuno â Glyn yn fwy athronyddol, yn fwy cyffredinol, pan ŷch chi'n ystyried beth yw pwrpas y canllaw electronig, yr EPG, sef ei fod e'n ffordd arall o roi mantais i ddarlledwyr gwasanaethau cyhoeddus dros ddarlledwyr masnachol yn y byd cystadleuol sydd ohoni. Os yw'r defnydd o'r canllaw electronig yn lleihau yn sylweddol, a phobl yn mynd yn syth i apiau, bydd hynny'n creu cwestiwn mawr ynglŷn ag i ba raddau y mae modd cynnal darlledu gwasanaeth cyhoeddus yn gyffredinol, nid jest S4C.

[248] **Bethan Jenkins:** Mae gan Jeremy Miles gwestiwn.

**Bethan Jenkins:** Jeremy Miles has a question.

[249] **Jeremy Miles:** Actually, my question is about the economic impact, so I might have to wait, Chair.

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

[251] **Suzy Davies:** Glyn Mathias, you did say that this question of EPG prominence didn't just affect S4C; it affects all kinds of channels. Are you able to say when Ofcom last reviewed the prominence provisions of the EPG code? Because it does have the ability to do that, and there's no plan to review it in the immediate future. So, do you happen to know when it was last done?

[252] **Mr Mathias:** I don't. I know that they have had to attempt an adjudication when there was a dispute between programme channels and platforms, but their power is very limited in what they can enforce. I can't answer your specific question.

[253] **Suzy Davies:** That's fine. I accept that. Thank you.

[254] **Bethan Jenkins:** Hannah. Sorry.

[255] **Lee Waters:** I just understood from your written evidence that you had taken a view, but the Government had decided they didn't want to act on it.

[256] **Bethan Jenkins:** That was from Ofcom. Not from the advisory panel.

[257] **Lee Waters:** Oh, I apologise. So Ofcom has taken a view, but the Government has taken a policy view it doesn't want to interfere with EPGs.

[258] **Mr Mathias:** As I understand it, the policy position of Ofcom is that they would like to have their powers strengthened in relation to EPGs, but the Government has not moved forward by giving them sufficient powers to do so.

[259] **Lee Waters:** Thank you.

[260] **Bethan Jenkins:** Thank you for that clarification. Back to Hannah.

[261] **Hannah Blythyn:** Thank you, Chair. Just a very quick follow-up question. So, I think S4C are of the impression that they probably need to invest more in their online viewing presence; would you share that view?

<p>[262] <b>Mr Wiliam:</b> Maen nhw wedi buddsoddi yn helaeth yn barod o fewn y lle sydd ganddyn nhw o safbwynt ariannol. Maen nhw wedi trio arloesi, hefyd; trio lot o arbrofi gyda gwasanaethau newydd a rhai pethau sydd ddim hyd yn oed wedi'u brandio gydag S4C—o ran gwasanaeth Pump, er enghraifft, nid oes yna ddim brand S4C ar hwnnw. Rŷch chi'n gallu gweld bod y gwasanaethau yma yn tyfu o niferoedd bach ac mae elfen o lwyddiant aboutu nhw. Rydw i'n credu, o beth rydw i'n gallu'i weld o S4C, y bydden nhw'n hoffi gwneud</p>	<p><b>Mr Wiliam:</b> They have invested extensively already within the financial envelop they have, and they've tried to innovate as well. They've experimented with new services, and some things where they haven't even been branded as S4C—the Pump service, for example, there is no S4C brand there. You can see that these services are growing in terms of small numbers, but there is an element of success there. I think, from what I can see of S4C, they would like to undertake more experimentation and innovation, if they had the freedom and the powers</p>
---	---

mwy o arbrofi a mwy o arloesi pe bai to do that. It would be great to see  
ganddyn nhw'r rhyddid a'r pwerau i S4C being able to be placed on more  
wneud hynny. Yn sicr, byddai'n wych and more platforms and, as you've  
i weld S4C yn gallu mynd ar fwy a said, where possible, they've tried to  
mwy o lwyfannau, a fel ti'n dweud, do that.  
maen nhw wedi trio lle maen nhw'n  
gallu i wneud hynny.

[263] **Bethan Jenkins:** Jeremy— **Bethan Jenkins:** Jeremy on economic  
datblygiadau economaidd. developments.

[264] **Jeremy Miles:** Diolch. I'll take a step back. For many years, ITV and BBC  
commissioned and produced most of their own content in-house. Obviously,  
the landscape changed in 2003 and that's been different ever since. But they  
were, from their perspective, successful models in that period. What are your  
thoughts on whether S4C should adopt that sort of model where it produces  
more of its content in-house, rather than commissioning that from  
independent production companies?

[265] **Mr Mathias:** I think the basic answer to that is you can't go backwards.  
The BBC, for instance, is moving to the gradual establishment of BBC Studios,  
by which process BBC Studios will have to compete with bids from  
independent companies, and I cannot see any conceivable way in which S4C  
can move back into an in-house production system.

[266] **Jeremy Miles:** Well, that happened in the States, actually, because they  
abolished the rules that we have since 2003, and they allowed more  
integration because of the market distortion they said it caused there. So, it  
is possible to do that. The argument is, I think, that the intervention  
happened to create a market. If S4C is the only purchaser of Welsh-language  
broadcast content, arguably, there isn't a functioning market there anyway in  
Wales for that content, so it is a slightly different situation. Would there be  
no benefits from S4C's point of view from taking that step?

[267] **Mr Mathias:** I'll answer very, very quickly, but I would say that S4C has  
generated a market for Welsh-language programming by independent  
companies in Wales, which has been of huge benefit to the creative economy  
of Wales. I can't see any argument for moving backwards from that.

[268] **Jeremy Miles:** I can absolutely see it from the point of view of the  
production sector; I understand the economics of that. I'm just asking from

the point of view of the sustainability of the model of S4C coming under significant financial pressure. Is this not something that should be considered?

[269] **Mr Wiliam:** Rŷm ni'n cymryd y farn bod dim pwynt inni ystyried y model yma mewn gwirionedd. Os ŷch chi'n meddwl amboutu'r ffordd y daeth S4C i fodoli, yr hinsawdd pan grëwyd S4C ac wrth gwrs Channel 4 ar yr un amser, roedd y syniad yma o ddarlledwyr oedd jest yn gyhoeddwyr—nid oedden nhw'n cynhyrchu. Roedd hwnnw'r un model gyda Channel 4 hefyd. Wrth gwrs, pan ddechreuodd S4C, nid oedd braidd dim cwmnïoedd annibynnol yn bodoli yng Nghymru—dim ond rhyw dri chwmni annibynnol oedd, rwy'n credu—ond o fewn blwyddyn neu ddwy, fe dyfodd y sector yn anferth. Gallwch chi ddweud bod S4C wedi cyfrannu'n eithaf sylfaenol, wir, i dwf y sector yng Nghymru a, gyda hynny, wedi rhoi'r cyfle i wariant cyhoeddus fynd yn bellach, felly, i greu buddiannau masnachol hefyd.

**Mr Wiliam:** We're of the opinion that, no, there's no point considering this model, if truth be told. If you think about the way in which S4C came into existence, and the climate when it was created, and of course Channel 4 was created simultaneously, there was this idea of broadcasters that were just publishers, rather than producers. That was the same model with Channel 4, too. When S4C was established, there were hardly any independent companies in Wales—I think there were only some three in existence—but, in a year or two, that sector grew significantly. You can say that S4C contributed a great deal to the growth of that sector in Wales and, with that, gave an opportunity for public funding to go further to create commercial benefits too.

[270] **Jeremy Miles:** A ydych chi'n credu bod y buddiannau economaidd yna wedi cael eu gwasgaru'n gytbwys ar draws Cymru?

**Jeremy Miles:** Do you believe that those economic benefits have been spread out equitably throughout Wales?

[271] **Mr Wiliam:** Wel, mae adroddiadau blynyddol diweddaraf S4C yn dangos hyn. Os ŷch chi'n edrych ar y canrannau o'r nifer o gwmnïoedd ar draws Cymru lle maen nhw'n cael eu comisiynu, mae'n reit wastad ar draws gorllewin, gogledd a de-ddwyrain Cymru. Hefyd, wrth

**Mr Wiliam:** Well, the latest annual reports of S4C do demonstrate this. If you look at the percentages in terms of the number of companies across Wales where they are commissioned, then it's quite balanced across west, north and south-east Wales. Of course, the

gwrs, mae'r budd economaidd sy'n dilyn o hynny wedi bod yn weddol o wastad. Mae yna enghreifftiau da yn ddiweddar lle mae S4C wedi gwneud astudiaethau. Os ydw i'n cymryd cyfres fel *Y Gwyll*, er enghraifft, lle gwnaethon nhw wneud astudiaeth o beth oedd effaith economaidd *Y Gwyll* ar ardal Aberystwyth—

economic benefits deriving from that are equally balanced too. There are some good examples recently where S4C has carried out studies. If you take *Hinterland/Y Gwyll*, for example, where they carried out a study of the economic impact of *Hinterland* on Aberystwyth—

[272] **Jeremy Miles:** Wel, mae'r enghraifft yn mynd i fod yn enghraifft ddealladwy ac yn enghraifft dda, ond, fel y cyfryw, nid dyna'r cynnwys *typical* mae S4C yn ei—

**Jeremy Miles:** Well, that example is going to be an understandable and good example, yes, but generally speaking, that's not the typical content that S4C—

[273] **Mr Wiliam:** Na, ond mae yna astudiaethau eraill hefyd sy'n dangos impact ariannol S4C. Mae Llywodraeth Cymru wedi gwneud un ac mae S4C wedi gwneud sawl astudiaeth drwy asiantaethau annibynnol, rhai economaidd, sydd yn dangos gwerth—o bob £1 mae S4C yn ei gwario mae £2 yn mynd nôl i'r economi, so mae eithaf lot o gryfder yn y dadansoddiad hwnnw.

**Mr Wiliam:** No, but there are other studies that show the financial impact of S4C. The Welsh Government has carried out a study and S4C has carried out a number of studies through independent agencies, economic agencies, that show its value—per £1 spent by S4C, there is £2 created in the economy, so there is some strength in that analysis.

[274] **Jeremy Miles:** Diolch.

**Jeremy Miles:** Thank you.

[275] **Bethan Jenkins:** Mae Suzy Davies eisiau dod i mewn ar y pwynt yma'n benodol. A wyt ti eisiau dod nôl wedyn, Jeremy?

**Bethan Jenkins:** Suzy Davies wants to come in on this specific point. Do you want to come back in later, Jeremy?

[276] **Jeremy Miles:** Na.

**Jeremy Miles:** No.

[277] **Suzy Davies:** Thanks ever so much. Just to go back to that question of the market, obviously, the nature of the remit of S4C will change as a result of this review. Is it fair to say any more that the market should just be for Welsh speakers, or should it be for making Welsh-language content for a



wider market?

[278] **Mr Wiliam:** Yn bendant. Rwy'n cytuno. Mae tystiolaeth yn dangos bod gwylwyr gan S4C tu allan i Gymru ac, fel rŷch chi'n dweud, ei fod e efallai'n hurt, felly, i gyfyngu'r cylch gwaith dim ond i wylwyr yng Nghymru lle mae yna gymaint o gyfle i S4C i ddarlledu i a darparu rhaglenni i'r Deyrnas Unedig ac yn rhyngwladol, fel mae llwyddiannau'r cyfresi diweddaraf wedi dangos. Roeddwn i, er enghraifft, mewn seremoni wobrwyo lan ym Manceinion peth amser yn ôl lle'r oedd yna gwmni lleol ym Manceinion wedi ennill gwobr RTS am gynhyrchu rhaglen plant ar gyfer S4C—rhaglen am gi oedd e, fel mae'n digwydd. Roedd e'n anhygoel. Roeddech chi'n gallu gweld y budd economaidd yn digwydd o'ch blaen chi yn fanna.

**Mr Wiliam:** Certainly, I agree. The evidence shows that S4C has viewers outside of Wales and, as you say, it therefore is not wise to be restricting the remit just to viewers in Wales, when there is such an opportunity for S4C to broadcast and to provide programmes to the UK and internationally, as the success of the most recent programmes has shown. For example, I was at an awards ceremony in Manchester recently where a local company in Manchester had won an RTS award for producing a children's programme for S4C—it was about a dog, as it happens. It was incredible. You could see the economic benefits happening right in front of you there.

[279] **Suzy Davies:** That potentially changes the balance of its funding—potentially.

11:15

[280] **Mr Wiliam:** Yn bendant. Mae yna lot o le, felly, i arloesi a datblygu, rwy'n credu.

**Mr Wiliam:** Yes. There's a great deal of scope to innovate and develop, I think.

[281] **Suzy Davies:** Diolch. Thank you, Chair.

[282] **Bethan Jenkins:** Lee.

[283] **Lee Waters:** Just finally, I want to bring you back to Glyn Mathias's opening statement about the need to ensure that there are no sacred cows in this debate around the future of S4C, which I think is very wise. I just wonder if you have any particular cows you think we should consider for slaughter,

as we think about the future direction of this inquiry.

[284] **Mr Wiliam:** Mae un cwestiwn penodol rŷm ni'n moyn codi, ac mae'n gwestiwn o amrywiaeth a sut mae monitro amrywiaeth o safbwynt yr aelodau o staff sy'n gweithio i'r cwmnïau annibynnol a'r darlledwyr, a hefyd yr amrywiaeth ar y sgrin. Mae Ofcom wedi dechrau gwneud gwaith i fonitro hyn yn reit helaeth ar draws y Deyrnas Unedig, ac mae Creative Diversity Network—corff sydd wedi cael ei greu'n wirfoddol gan ddarlledwyr i hyrwyddo amrywiaeth—wedi gwneud lot o waith ac wedi datblygu project newydd o fonitro, o'r enw prosiect Diamond. Mae S4C yn aelod o CDN, ond am wahanol resymau, nid yw S4C yn aelod ar hyn o bryd, neu ddim wedi cytuno bod yn rhan o broiect Diamond, lle byddai ffurflenni penodol a ffordd benodol a chyson ar draws y darlledwyr i gyd i roi mewnbwn ar amrywiaeth y gweithlu a'r bobl sydd ar sgrin.

**Mr Wiliam:** There's one specific question that we want to raise, and that is the question of diversity and how we monitor diversity in terms of the staff members who work for the independent companies and for the broadcasters, and also the diversity available on screen. Ofcom has started to undertake work to monitor this to quite a broad extent throughout the UK, and Creative Diversity Network, the body that has been created voluntarily by broadcasters to promote diversity, has done a great deal of work, and it has developed a new monitoring project called project Diamond. S4C is a member of CDN, but for various reasons, S4C isn't currently a member, or rather hasn't agreed to be part of project Diamond, where there will be specific forms and a specific and consistent way across all broadcasters to give input on diversity within the workforce and on screen.

[285] Rŷm ni'n credu ei fod yn bwysig iawn i edrych ar hwn ar frys. Rŷm ni'n gwybod bod lot o waith yn cael ei wneud gan Ofcom hefyd a rŷm ni'n poeni, efallai, fod S4C wedi gadael ei hun yn agored, o bosib, i bobl ddweud, 'Wel, ble mae'ch tystiolaeth chi amboutu beth rŷch chi'n ei wneud i hyrwyddo amrywiaeth ar draws eich gweithlu?'

We think that it is important to look at this urgently. We know that a lot of work is being done by Ofcom as well, and we are concerned that S4C has left itself open, perhaps, for people to say, 'Well, where is your evidence about what you're doing to promote diversity through your workforce?'

[286] **Lee Waters:** Glyn, did you have any sacred cows?

[287] **Mr Mathias:** Well, my sacred cow is the one I referred to earlier, which is that no broadcaster should be self-regulating. I think that's No.1 priority and a lot of things will follow from that.

[288] **Lee Waters:** That's a land grab rather than a sacred cow slaughter.  
[*Laughter.*]

[289] **Mr Mathias:** Well, Ofcom is the only game in town on regulation of broadcasting.

[290] **Lee Waters:** Perhaps we should have more plurality.

[291] **Bethan Jenkins:** Diolch yn fawr iawn i chi am roi tystiolaeth heddiw. Os oes unrhyw beth gennych chi i'w ychwanegu, plŷs teimlwch eich bod yn gallu ysgrifennu atom ar unrhyw adeg. Rydw i'n gobeithio y byddwch chi'n gwylio'r hyn sy'n digwydd gyda gweddill ein sesiynau, ond diolch yn fawr iawn i chi am ddod mewn yma heddiw.

**Bethan Jenkins:** Thank you very much for your evidence today. If there's anything that you'd like to add, then feel free to write to us at any time. I do hope that you will take an interest in the rest of our evidence sessions, but thank you for your attendance today.

[292] **Mr Wiliam:** Diolch yn fawr iawn.

**Mr Wiliam:** Thank you very much.

11:17

### **Papurau i'w Nodi** **Papers to Note**

[293] **Bethan Jenkins:** Rydym yn symud yn syth ymlaen, os gallwn, at eitem 4: dyfodol S4C a sesiwn dystiolaeth 7. Tra ein bod yn aros am y tystion, rydym yn symud at eitem 5, sef papurau i'w nodi.

**Bethan Jenkins:** We'll move on immediately to item 4: the future of S4C and evidence session 7. Whilst we await our witnesses, we will move to item 5, which is papers to note.

[294] Mae yna lot o bapurau yma ac nid wyf yn bwriadu mynd trwyddyn

There are a number of papers here and I don't intend to list them all.

nhw i gyd. Yr unig un y byddwn i, yn bersonol, yn hoffi edrych arno yw'r ohebiaeth, nid gen i, ond gan Bethan Jenkins, pennaeth cerddoriaeth Ysgol Lewis Pengam, ynglŷn ag ariannu addysg gerddoriaeth a mynediad ati. Roeddwn i jest eisiau argymell, os yn bosib, ymweld â'r ysgol, achos maen nhw wedi dweud eu bod nhw'n edrych i mewn i gerddoriaeth boblogaidd, ac efallai byddai hynny'n ein helpu ni o ran y cylch gwaith. A oes unrhyw faterion eraill gan Aelodau yn codi o'r ohebiaeth? Unrhyw fater arall?

The only one I would personally like to look at is correspondence, not from me, but from Bethan Jenkins, the head of music at Lewis School Pengam, in terms of funding and access to music education. I just wanted to suggest, if possible, that we should visit the school, because they have said that they're looking into popular music, and that would, perhaps, help us in terms of our remit. Are there any other issues on those papers to note? Any other issues?

[295] **Lee Waters:** In terms of the visit, maybe it wouldn't need all of us to go, maybe we could do a rapporteur visit for that.

[296] **Bethan Jenkins:** Yes, that's fine.

[297] **Lee Waters:** I thought ITV's letter to us was quite significant and more fulsome than the other written evidence that they've provided. Actually, it's worth reflecting on, because it does provide quite a stark rejoinder to our report and it may be worth some further challenge.

[298] **Bethan Jenkins:** Do you have a suggestion in terms of where we take it? Because we will have a debate on it, obviously, and the Government will respond in due course.

[299] **Lee Waters:** I have nothing specific in mind, but I think it is such a fundamental challenge to our recommendations, I think it's worth just reflecting on what we do with it.

[300] **Bethan Jenkins:** We'll reflect in private session afterwards, then. Okay. Thanks very much.

## Dyfodol S4C—Sesiwn Dystiolaeth 7 The Future of S4C—Evidence Session 7

[301] **Bethan Jenkins:** Symudwn yn ôl, felly, at y sesiwn dystiolaeth—os rydw i'n gallu ei ffeindio yn fy mhapurau—sesiwn dystiolaeth 7. Diolch yn fawr iawn i Ron Jones, cadeirydd gweithredol Grŵp Tinopolis, am ddod i mewn atom heddiw, a hefyd i Nia Thomas, sef rheolwr gyfarwyddwr Boom Cymru. Diolch yn fawr iawn. Mae'n siŵr eich bod wedi bod yn edrych ar y trafodaethau ac yn gweld yr hyn rydym ni wedi bod yn ei drafod o ran S4C a'i dyfodol. Tybed a allech chi, yn yr achos cyntaf, esbonio i ni beth rŷch chi'n credu sy'n dda am yr hyn y mae S4C yn ei wneud ar hyn o bryd? A ydyn nhw'n diwallu anghenion y cynulleidfaoedd ac a ydyn nhw'n ymateb i'r hyn y mae'r cynulleidfaoedd eisiau'i weld yn ddigonol? Sut fydddech chi eisiau gweld unrhyw newidiadau'n digwydd? Diolch.

[302] **Mr Jones:** Os caf i ddechrau, a gaf i ddweud, Gadeirydd, cyn cychwyn, fel mater o esboniad, rydw i, wrth gwrs, yn gadeirydd panel sector creadigol Cymru, ond nid yw darlledu, fel y cyfryw, o fewn *remit* y panel hwnnw? Felly, nid ydw i'n siarad gyda chefnogaeth y panel, ond, wrth gwrs, rŷm ni yn edrych ar effaith economaidd darlledu yng Nghymru, felly rwyf ychydig yn fwy llwyd fy natur ar y materion yna. Byddaf yn gallu ateb y cwestiynau

**Bethan Jenkins:** We'll return, therefore, to our evidence session—if I can find the relevant paper—evidence session 7. I'd like to thank Ron Jones, the executive chairman of the Tinopolis Group, for joining us, and Nia Thomas, who is managing director of Boom Cymru. So, thank you very much. I'm sure you will have listened to our discussion in terms of S4C and its future. I wonder whether you could initially explain to us what you believe is positive in terms of what S4C is doing at the moment. Is it meeting the needs of its audience and is it responding to what audiences want to see sufficiently? How would you want to see any possible changes happening? Thank you.

**Mr Jones:** If I may begin, may I say, Chair, before beginning, as an explanation, of course, that I am the chairman of the creative sector's panel in Wales, but broadcasting, as such, doesn't fall within the remit of that panel? So, I'm not speaking with the support of the panel, but, of course, we are looking at the economic impact of broadcasting in Wales, so I'm slightly more grey in terms of those areas. In terms of the answers that I will give, I will be

yna, efallai, gyda rhywfaint o thinking somewhat of the  
safbwynt y Llywodraeth o leiaf yng Government's views on this.  
nghefn fy meddwl i.

[303] Fel rŷch chi wedi gweld o'r As you can see from the paper that I  
papur rydw i wedi cynnig i'r pwyllgor, have produced for the committee, I  
rwyf yn credu bod rhaid inni edrych do believe that we do need to look  
o'r newydd ar S4C. Nid yw hynny i afresh at S4C. That really doesn't  
wneud, a dweud y gwir, gydag have anything to do with any kind of  
unrhyw fath o asesiad beirniadol o'r critical assessment of what's  
gorffennol. Rwy'n credu bod S4C happening, I think that S4C has  
wedi gwasanaethu yn ddilys, yn onest served validly, honestly, and  
ac yn gymharol lwyddiannus—oes relatively successfully in another era  
arall ym myd cynnwys, ac mewn oes in terms of content, and in another  
arall hefyd mae'r berthynas rhwng era in relation to public service  
darlledu cyhoeddus a'r gynulleidfa. broadcasting and the audience. What  
Beth rwy'n credu sydd wedi newid yw I think has changed is the nature of  
natur cynnwys bellach yn y byd— content in the world that is available  
cynnwys sydd yn gweithio ar fideo, in video, audio and in print, and we  
*audio* a hefyd ar brint, ac mae'n rhaid have to think afresh about what the  
meddwl o'r newydd am beth oedd chief aim of S4C is, which was to deal  
prif bwrpas S4C, ac roedd hynny i with a market failure in the area of  
ddelio gyda'r methiant yn y farchnad broadcasting. But now we have this  
ar gyfer darlledu. Ond bellach mae balance between a failure in the  
gyda ni'r balans yma rhwng methiant market across all Welsh language  
yn y farchnad ar draws holl gynnwys content, and we have a Government  
Cymraeg ei iaith, ac mae gyda ni now that has a clear strategy and I  
Lywodraeth bellach sydd â think that we have a population that  
strategaeth glir, ac rwy'n credu bod has a strong understanding of the  
gyda ni boblogaeth sydd â need to create a Wales that is truly  
dealltwriaeth glir o'r angen i greu bilingual, and through S4C, as a  
Cymru sydd yn wirioneddol foundation for those changes, I think  
ddwyieithog, a thrwy S4C, fel sylfaen we can build something afresh.  
i'r newidiadau yna, rwy'n credu y  
gallwn ni adeiladu rhywbeth o'r  
newydd.

[304] Yn nyddiau cynnar S4C, roedd In the early days of S4C, it was  
hi'n amlwg nad oedd yna lawer o evident that there weren't many  
broblem yn diffinio beth oedd y problems in terms of defining what  
gymuned Gymraeg: roedd e'n the Welsh-speaking community was:

ddaearyddol yn weddol glir, roedd e'n amlwg bod yr iaith yn encilio mewn rhai o'i ardaloedd mwyaf cryf, ond roeddwn ni'n gwybod pwy oeddem ni'n gwasanaethu. Bellach, mae'r gymuned ar wasgar. Mae cymunedau traddodiadol yn cael eu chwalu, ac mae cymunedau newydd o ddiddordebau a gwahanol oedrannau yn cael eu creu, ac rwy'n credu, er mwyn gwasanaethu'r math yna o gynulleidfa, mewn byd sydd yn mynd drwy gyfnod chwyldroadol yn nhermau'r cyfryngau, fod yna ffyrdd newydd o wneud hyn. Mae'n sialens i bawb yn y sector darlledu cyhoeddus, ond rwy'n credu ei fod yn arbennig o bwysig ein bod ni'n ffeindio'r ffordd newydd yma o'i wneud e yn yr iaith Gymraeg, ac rwy'n hyderus y gallwn ni wneud hynny. Rwy'n credu bod yna broblemau ymarferol yn hytrach na deallusol yn ein hwynebu ni, ond rwy'n hyderus iawn y gallwn ni greu, nid yn unig diwydiant cryf yn y sector yma, ond rhywbeth sy'n rhan o ddiwylliant syn cryfhau yn ogystal.

it was geographically clear, and it was evident that the Welsh language was in retreat in some of its strongholds, but we knew who we were serving. Now, that community is spread out. The traditional communities are diminishing, and there are new communities of interest and different age groups are developing, and I think, in terms of serving that type of audience, in a world that is undergoing a revolutionary period in terms of the media, there are new ways of doing this. It's a challenge for everyone who is involved in the public broadcasting sector, but I think that it's exceptionally important that we find this new way of operating through the medium of Welsh, and I'm confident that we can do so. I believe that there are practical problems rather than intellectual problems facing us, but I do believe—and I am confident in this—that we can create, not just a strong industry in this sector, but something that is part of a culture that is also strengthening.

[305] **Bethan Jenkins:** Diolch. Nia Thomas.

**Bethan Jenkins:** Thank you. Nia Thomas.

[306] **Ms Thomas:** Wel, rydw i'n cytuno â phopeth, yn amlwg, mae Ron wedi dweud. Jest nodyn i ddweud bod Boom Cymru wedi bod yn cynhyrchu cynnwys i S4C ers bron i 25 mlynedd erbyn hyn, ac rydw i'n falch iawn i fedru cael y cyfle i siarad ar ran S4C heddiw achos rŷm ni

**Ms Thomas:** Well, I agree with everything that Ron has said. I just wanted to note that Boom Cymru has been producing content for S4C for some 25 years now, and I'm very pleased to have the opportunity to speak on behalf of S4C today because we're looking forward for

hefyd yn edrych ymlaen at y cyfle i gynhyrchu cynnwys am 25 mlynedd arall yn y dyfodol. Ond beth mae'n rhaid cario ymlaen i sicrhau yw bod S4C yn ddarlledwr cyhoeddus o'r safon uchaf. Mae eisiau bod S4C yn parhau i hybu a sicrhau ffyniant yr iaith Gymraeg, a hirhoedledd yr iaith Gymraeg, a hefyd i barhau i fod yn gorff hanfodol i ddatblygiad talent yn yr iaith Gymraeg, ac mae'r talent hynny yn amlwg yn gweithio'n galed iawn i gynhyrchu'r cynnwys mwyaf safonol y gallan nhw.

the opportunity to produce content for another 25 years into the future. But what we must continue to ensure is that S4C is a public broadcaster of the highest quality. S4C wants to continue to promote the Welsh language, and safeguard the Welsh language, and also continue to be a crucial body in terms of the development of talent through the medium of Welsh, and that talent clearly is working hard to produce the highest quality content that it can.

[307] Rydw i'n meddwl bod S4C wedi ymateb yn sylweddol o dda i'r toriadau anghymesur sydd wedi dod gerbron dros y blynyddoedd diwethaf. Mae eu ffigurau gwylwyr nhw ar i fyny—mae eu gwylwyr nhw nawr yr uchaf y maen nhw wedi bod ers naw mlynedd. Mae'r trawiad ar yr economi yn hanfodol a gall hynny ddim cael ei esgeuluso mewn unrhyw fodd. A hefyd, mae ei gyfraniad i—nid ydw i byth yn gallu dweud y gair yma—blwraliaeth yn sylweddol, felly mae'n bwysig bod hynny'n cael ei gymryd i ystyriaeth.

I think S4C has responded well to the disproportionate cuts that it has faced over the past few years. Their viewing figures are increasing—it's the highest now that it's been for nine years. The economic impact is a crucial issue and that shouldn't be ignored in any way whatsoever. It also contributes to plurality—I can never say the word—but it does make a significant contribution in that regard and it's important that that's taken into account.

[308] Beth sydd angen ei wneud nawr, yn amlwg, yw arfogi S4C i ymateb i'r cymal nesaf o ddarlledu. Mae'r 30 mlynedd nesaf yma yn mynd i fod yn sialens, ond nid ydw i'n meddwl y dylem ni fod yn panicio. Mae newidiadau gerbron, ond fe fyddan nhw'n dod i mewn yn araf deg. Mae eisiau i ni bwylo, ac fel y dywedais i, mae angen i S4C arfogi ei

What we need to do now, clearly, is to equip S4C to respond to the next phase of broadcasting and the next 30 years are going to be challenging, but I don't think that we should panic. The changes are facing us and they will be introduced gradually, but we need to take a step back. As I said, S4C needs to prepare itself and equip itself to ensure that it meets



hunan i wneud yn siŵr ei bod yn the needs of its audience and the diwallu anghenion y gwylwyr a'r next generation of audience for the genhedlaeth nesaf o wylwyr am y 30 next 30 years. mlynedd nesaf.

[309] **Bethan Jenkins:** Diolch. Mae'r **Bethan Jenkins:** Thank you. We now cwestiynau nawr ar y cylch gwaith have questions on the statutory remit statudol ac mae Dawn Bowden yn of S4C and Dawn Bowden will lead on mynd i arwain ar hyn. Diolch. this.

[310] **Dawn Bowden:** Thank you, Chair. First of all, perhaps I could ask you, Ron, to expand on the evidence that you gave. You've touched on it briefly in your introduction but in your evidence you talked about the review—it gives us the opportunity to look at a new, enhanced body for the digital age and moving towards more, sort of, digital platforms. I think you talk about, you know—television alone is not going to be enough going forward. Do you want to say a little bit more about that?

[311] **Mr Jones:** By way of a very limited background to it, I think we sometimes get terribly caught up in discussions about devolution of powers and responsibilities and which governance structures we need to look at at broadcasting. But I think those are largely illusory, because whatever aspect of public life we're now involved in, no-one has complete sovereignty. It's about working with different national bodies, treaties, national Governments for Wales and for the UK and so on.

[312] So, I try to look through those and look at what I think is the real challenge for us going forward. It really is about, 'How can the Welsh language find its place in a very different media environment?' I think we have to look at, 'What is the content that Welsh speakers need to consume? What is the content they want to consume?' And the balance there is between that which is—the examples best to use are used by the BBC. They justify *Strictly Come Dancing* because it's a part of a package that makes public service broadcasting attractive. In the case of doing that in Welsh, it's very likely that in the future we will not be able to compete with the *Strictly Come Dancing* of this world or the *American Ninja Warrior* or whatever else. But we will be able to compete by offering a tailored proposition that fits a particular niche in people's lives, and that'll be about Wales, it'll be in Welsh—but that won't necessarily be television. It could well be radio, it could well be ideas that come entirely from a new generation of producers involved in matters digital. It could come from our strong print background. But I think unless

we co-ordinate those in such a way as to make it available to people, we will get lost in the great ocean of media out there.

[313] So, I think by having a body that concentrates on the whole of media available to Wales, we can do a number of things. First of all, we can package media in such a way that we balance between that which people want to watch, listen, read to with that which society needs them to be aware of, needs to be involved in. It's the balance between that which people want and that which society needs them to be involved in that is at the heart of public service broadcasting. And if we look at that in the new environment, then we need almost to be agnostic about platforms. We need to look at the content first—what's of interest? And then we need to have institutions that are able to manage, over time, the movement between one platform and another. So, we don't really think in terms of traditional television alone.

11:30

[314] Now, I've heard some witnesses here talk about the death of television and so on. Nothing could be more wrong, in my view. If you look at some of the best research being done in the United States, which is way ahead of us in terms of the migration of content, actually the consumption of traditional television has increased markedly. It's just that it's increased on a number of distribution platforms. One of the leading people talking about this in the United States is actually a guy called Marcus Liassides who is now based in Salt Lake City but previously lived here in south Wales. If you follow Marcus's comments on what's happening, you'll realise that television is far from dead, it's just changing its form. It's changing its distribution platforms and that's really why I think we need very different structures to accommodate.

[315] There's no point now having content commissioned, encouraged, sold and marketed by a range of bodies around Wales. Really, what are we trying to do? We are trying to find something that works for the whole of Wales and works in a way where this Government and this Assembly feels it has direct responsibility and involvement and is able to offer some degree of strategic direction, in the interest of the sort of society we're trying to build. That's why public service broadcasting, although it's not devolved, is increasingly going to have to be a matter of interest for this body. It's at the heart, really, of the communication between this Government, this Assembly, and the people of Wales.

[316] **Dawn Bowden:** Sure. Do you agree with that, Nia?

[317] **Ms Thomas:** Yes, to a degree, I do agree. I think, to have a joint strategy—. With regard in particular to ensuring the success and future of the Welsh language, I think having a joint strategy between various bodies—that that is key to their remit—is a good thing. S4C has a place and a role to play with regard to ensuring that content is available digitally in the Welsh language. So, if other bodies need that content to be produced, then it makes sense for there to be a joined-up thinking and a joined-up approach to it.

[318] **Dawn Bowden:** You've also talked about the need to maximise the commercial potential, haven't you?

[319] **Ms Thomas:** Yes. S4C has done quite a lot to try and increase its commercial revenues. Naturally, it's a different market. The flexibility and the options when it comes to adding revenues, obviously, are much lower. It's not as fortunate as, for example, Channel 4, when it comes to what opportunities it may have and what ventures it may invest in. So, it is limited but, having said that, they have, I think, done good work in this area. They've invested in content. *Y Gwyll* is a really good example of using their commercial reserves to invest in content that has sold and travelled well across the world. So, I do believe that, although they are doing what they can, if the requirement to do more commercially maybe formed a more integral part of their remit, then that might help.

[320] **Dawn Bowden:** That leads me on to my final question, really, which is about what both of you were saying—you appear to be saying that the current remit has its constraints. So, you would be looking to go beyond the current constraints of the remit. One of the things that we've heard—well, one of the things that we know is that, within the current remit, it's about providing a service 'wholly or mainly' in Wales and so on. But we've actually heard evidence saying that a lot of people trying to or wanting to access S4C and Welsh language programming now are actually outside of Wales. So, how far do you think the current remit constrains S4C from doing the kind of things that you're talking about?

[321] **Ms Thomas:** I think it constrains it in the fact that it says it has to be producing programmes for audiences 'in Wales'. Whether that is adaptable in its current form—you know, I think it should be. S4C is obviously trying to reach the diaspora—45 per cent of its viewers now are based outside Wales. They have been piloting a useful scheme over the past two years where

they've asked producers to clear their content internationally—where they can, where there are no limits to doing so, or financial constraints to doing so—so that they can show their content on a wider scale than just in the UK as well. They are showing it internationally, online. They are making these changes and making these moves towards that direction.

[322] **Mr Jones:** What I don't think we can do is mix up the need to service, let's call them the diaspora, and somehow assume that that is a huge new commercial opportunity. Welsh language content will suffer a permanent market issue. In that sense, it's no different to a lot of other countries with much stronger languages than we have. So, I think we have to set aside the commercial side. But there is a Welsh speaking community in the most unbelievably distant places. I think, accidentally, we are servicing them now. What I think we need to do is to make them feel more part of the community of S4C, and we can do that reasonably subtly.

[323] I remember, some years ago, talking to Maggie Brown of *The Guardian*, a leading media commentator, and being amazed at Maggie's knowledge of S4C, only to find that mam, who was born in north Wales, was living with Maggie in London. You come across these connections all the time. I think by explicitly going out there and engaging with them—. I spend a lot of time in the United States on business and I'm constantly meeting Welsh people, whether it's through *Ninnau*, the Welsh newspaper out there, or people who've managed to get virtual private network access to S4C in Wales and so on. They're part of our community. We shouldn't waste any opportunity to keep them involved with an interest in Wales. It has more than just a feel-good factor, it's about recognising that there is a real connection, both emotional and historical, to these people. They want to be part of what's happening in Wales today.

[324] **Dawn Bowden:** Absolutely. Thank you. Diolch.

[325] **Bethan Jenkins:** Rydym ni wedi **Bethan Jenkins:** We have touched on cyffwrdd ar gyllid ond rydym ni'n funding, but we will discuss it in mynd i'w drafod ymhellach nawr. further detail now. Suzy Davies. Suzy Davies. Diolch. Thank you.

[326] **Suzy Davies:** I was very interested in your comments on the forward look on how to reach Welsh speakers in different ways, rather than through television. But whether we're talking about S4C plus plus plus, if you like, or just S4C 2.0, who should pay for it and how?

[327] **Mr Jones:** I don't think it matters who pays for it but, I think, clearly, we're heading in the direction of there being natural paymasters for elements of what it does. Now that we have the BBC as the funder—effectively, that doesn't offend me, but I do think it needs to be an agreed top-slice, just to take away any responsibility the BBC has for influencing funding. But, then again, I think there are other things that an S4C of the future might do that are more properly paid for by elements of the Welsh Government.

[328] There's a huge deficit, in my view, for quality audiovisual material for our schools in Welsh. It seems to me that sensible discussions there about how some of the good content, now produced largely by Nia's company for kids, could be tailored differently to have direct influence within the curriculum and so on. If that requires funding, that's fine. Again, Welsh language publications are things that are funded largely within Wales. Some of the arts council's remit impacts very strongly on some of these cultural issues.

[329] I think we can have sensible discussions about that. I'm not offended by the idea of a body that is funded differently, with different accountabilities and different legal responsibilities, going forward. It's no more complex than most modern businesses are, with—

[330] **Suzy Davies:** It wasn't really a devolution question, it was just a plurality question, really.

[331] **Mr Jones:** Yes, absolutely.

[332] **Ms Thomas:** I agree with Ron. It doesn't matter necessarily where the funding comes from. It's the quality of the funding that matters. I think, from the perspective of a producer, or representing a company that has a number of people producing content in the company, what's important is that the content budget is as protected as possible, but that the content is adaptable and available on other platforms, should that be possible.

[333] The other thing that's important is the stability and visibility of the funding. Those are key. At the end of the day, S4C's content budgets are low—they're comparatively low—and there needs to be some care and consideration around that. What the DCMS says is the funding should ensure S4C provides a first-class service to meet the needs of the Welsh language audience, and it needs to invest in high-quality programming. I believe that

Welsh speakers should have the same right as English speakers to have high-quality programming. That's why I believe the content budgets should be as protected as possible.

[334] **Suzy Davies:** Can I just ask—

[335] **Mr Jones:** I think there's one area that is changing as a result of the latest BBC charter—and some of the ancillary papers one can look at in terms of governance and so on, which are, I think, key to this body's involvement. Clearly, whilst we don't have a fundamental change in the way that the BBC is governed, the new requirement of accountability to Wales and the involvement of DCMS and the Welsh Government, for example, in the appointment of the BBC director for Wales, do indicate, I think, an acceptance that the way in which funding was organised during the time of the big cuts in the early days of the Conservative Government wasn't satisfactory, because you effectively had people who didn't fully understand the questions that were required to be asked, and came up with a result that, whether it was right or wrong, was ill-informed. That is the point. You can't come to good funding decisions if you don't know what you're talking about, which I suspect is where DCMS was at that time.

[336] **Suzy Davies:** I'm not necessarily going to disagree with you on that, funnily enough. What I didn't hear in your responses was a sense of the role for improved commercial performance in that. I'd like to know how—. Because I accept what you say about content—content has to be good to be sellable and watchable. I'm just wondering what responsibility you think actually the producers have to improve the profitability of S4C.

[337] **Mr Jones:** That's a slightly difficult question to answer. Let me put it this way, I don't think S4C is about profitability. S4C is about spending the money it has as wisely as it can to deliver the best possible product.

[338] **Suzy Davies:** It would be quite good if it got more from its own activities, though.

[339] **Mr Jones:** Let me step back from that initial remark then to say that the only way we are going to improve the commercial value of S4C content is by a successful implementation of what's a cross-party policy to increase the number of Welsh speakers and to make Welsh a more relevant language inside Wales. The idea that we can take Welsh language content commissioned by S4C and sell it around the world is pure hubris. *Hinterland*

is one of ours, right, but if I was to be totally honest about the gestation of *Hinterland*, we've been trying to come up with a drama project that had that sort of global reach for 20 years.

[340] **Suzy Davies:** Can I just intervene there? I think S4C's drama is of the highest quality. I think it's been a real shame over the 20-odd years that it hasn't managed to market that to different countries.

[341] **Mr Jones:** It doesn't travel well, for all sorts of reasons.

[342] **Bethan Jenkins:** Why doesn't it travel as well as, say, the Nordic countries at the moment? Lots of their crime dramas are successful. Why can't we do that? If we can with *Hinterland*, then surely—

[343] **Mr Jones:** Na, rwy'n credu y **Mr Jones:** No, I think we can do it gallwn ni ei wneud o bryd i'w gilydd, from time to time, Chair, but what we Cadeirydd, ond beth na allwn ni ei can't do is ask S4C to create a wneud yw gofyn i S4C greu *business* sustainable business model that's *model* cynaliadwy sy'n ddibynol ar y dependent on that kind of activity. math yna o weithgaredd. Mae pethau Things like *Y Gwyll/Hinterland* will fel *Y Gwyll* yn mynd i werthu yn sell internationally, and successfully rhyngwladol, ac yn llwyddiannus so, and other programmes will also iawn, a bydd rhaglenni eraill yn gallu be able to do that. But I think that gwneud hynny'n ogystal. Ond, rwy'n putting the pressure on S4C and the credu bod rhoi'r pwysau ar S4C a'r responsibility of somehow being an cyfrifoldeb i rywsut fod yn ddarlledwr international broadcaster is more rhyngwladol yn fwy nag y gall yr iaith than the Welsh language can sustain. Gymraeg ei gynnal.

11:45

[344] **Ms Thomas:** Just for your information, *35 Diwrnod*, which is being broadcast on S4C at the moment, is actually going to be launched at MIPTV next week as a product that, hopefully, will sell. All I will say is, we have to be realistic about how well that project will sell, because drama is an incredibly crowded market. I have to go back to what Ron said about the gestation period of *Y Gwyll* and the amount of time and effort and, basically, banging on doors that keep shutting in your faces when it comes to raising the appropriate finance to make content that is of the highest production value and for it to be appealing to the wider market—it's difficult. It's not going to just come from a budget from S4C and a budget from BBC. There has to be

input from distributors, and those distributors need to like the product, because they are being courted by a number of drama producers all over the world asking for gap finance. So, it isn't easy. It's incredibly challenging.

[345] What I would say is that S4C, in their new programmes strategy, are trying to encourage—. And we, as producers, have been working hard for a number of years to try and come up with content or ideas that do have wider appeal than just the Welsh language market. Formats, in particular, are areas that we are now focused on, and have been focused on—trying to come up with formats that can travel, whether they're in Welsh or whether they're in another language. So, it is happening, but it isn't as easy as it might sound.

[346] **Suzy Davies:** I don't think it's easy, but I needed you to tell us how difficult it was.

[347] **Ms Thomas:** Okay. Well, hopefully, that answered your question.

[348] **Mr Jones:** My concern is that, because of public and political pressure to somehow appear global, S4C will take its eye off what it really needs to do, which is to satisfy a Welsh audience and a Welsh-speaking audience. The programming requirements are very different. I work with the officials and Government here, as some of you will know, on bringing in some of the international drama that you will now find all across Wales. When you look at both the budgets and the time those projects take, it's a very different world to the one that S4C inhabits, or even the BBC inhabits, increasingly. I'd like to think that we are suggesting to S4C that they do what they can in this field, but not to make it a priority. I take issue with them, for example, on the pursuit of formats. Formats have tremendous value overseas, but maybe formats aren't what our viewers need in Wales. Perhaps they're looking for something different. So, an honest conversation around that, I think, is required.

[349] **Suzy Davies:** Okay, thank you.

[350] **Bethan Jenkins:** Mae angen inni symud ymlaen, sori, at lywodraethu ac atebolrwydd. **Bethan Jenkins:** We will move on because we need to, and we'll move on to governance and accountability. Lee Waters.

[351] **Lee Waters:** Diolch. Thank you both for your written evidence. You both say, in slightly different ways, that you think the current governance



arrangements should not persist. I'm just wondering how you think they should look at the end of the review period.

[352] **Ms Thomas:** I think that, given that S4C will now be the only broadcaster that won't be governed by Ofcom, it makes sense for S4C to be regulated by Ofcom. With regard to the current composition of the S4C authority, I think there is room for certain tweaks to that setup. Without wanting to sound as if I would wish to replicate anything that the BBC is doing in S4C as an institution, I think that it could make sense for S4C to have a similar board—or the composition of its board could be similar to the BBC unitary board, in that it has an independent chair, it has executives from S4C present on the board and a number of non-execs appointed jointly, or whether half of them are appointed by the Welsh Government and half of them by the DCMS. That's a conversation that could be had as well. Those are my views.

[353] **Lee Waters:** Okay. Thank you.

[354] **Mr Jones:** I wouldn't disagree with much of what Nia said, but I'll take a slightly different approach. S4C, at the moment, regardless of the governance arrangements, has a degree of independence that, shortly, will be unique in public service broadcasting in the sense that it will not operate under any form of Ofcom-monitored service licence. Now, I think one of the biggest dangers we face over the next 12 months in terms of broadcasting in the UK, and particularly in Wales, is how we determine what the service licence for Wales is going to be for the BBC. And, unless we're very careful, that service licence will be fairly mushy and the linkage between what Wales needs, how it's impacted and what it costs will just disappear.

[355] But when you think philosophically about it, the idea of a service licence properly produced and monitored by Ofcom and also by politicians like yourselves, is the ideal position to be in. I'd like to see a situation where a service licence for S4C is arrived at where, clearly, Ofcom are available to monitor, but the contents of the service licence would be very open to discussion and intervention by this Assembly and this Government, and therefore monitored much more closely. I think the idea of giving large amounts of public money to a public service broadcaster now and saying, 'Go away and be independent' is no longer appropriate. I think that's particularly the case because of the need for accountability, but I think it's also the case because we require our public service broadcasters to do specific things for us, and I don't have any difficulty with tightening the independence

somewhat for the public good, which is really what we're talking about.

[356] But this idea of service licences has not worked in the past, because they've been improperly drafted, in my view; they've not been tight enough on our broadcasters. But there is an opportunity here now to engage S4C in a new link with this place in a way that I think would benefit it long term.

[357] **Lee Waters:** You also make some really interesting suggestions in your written evidence about the additional roles that S4C might absorb from different bodies—the arts council and the Welsh Books Council, for example. Clearly, there are commercial opportunities from the model that you suggest that the private sector would be in a position to exploit, but how do you see those types of responsibilities working within an Ofcom-governed environment?

[358] **Mr Jones:** Well, I don't, is the honest answer. I think there is almost a reluctance to accept that organisations these days are actually very sophisticated, and if I look at it from the commercial viewpoint, looking at my own company, we operate across a whole range of countries, we have different governance arrangements, we have contracts with different broadcasters, some of which require us to keep individual accounts, so they're cost auditable, and those complexities are just the normal complexities of business life.

[359] I don't see any reason why a public body that has responsibilities where it's accountable to DCMS, Ofcom, the BBC and the education department inside Government here can't actually still have integrity in terms of the delivery, whilst at the same time having a degree of co-ordination of strategy, which makes sure that we are all heading in the right direction. And that's why politicians are elected—to provide the glue that allows that to happen. In the good old days, Willie Whitelaw always used to say that good chaps can always sort things out. We're past that now. Now, we need definite governance arrangements to be in place, but I don't think they're difficult.

[360] **Lee Waters:** So, we should embrace the mess, in a sense. But there's a mess that you don't think we should embrace, which is the new BBC board model, where you think that the Welsh appointee, whenever they are eventually appointed, is put in a position of serving too many masters.

[361] **Mr Jones:** No—I'm fascinated, actually, by the new governance arrangements for the BBC because, for the first time, they've chosen to

define the roles of the individual directors of the board of the BBC, and it's potentially great if we can make sure that they're observed, because you now have directors appointed by the board of the BBC and you have directors appointed by DCMS in consultation with the Government here, and the responsibility of the directors is now individual in the sense that not only must they operate as a corporate body, but each individual director has the responsibility to act according to their own judgment. When you remember that that judgment has to be exercised by the national director for Wales, alongside its accountability and reporting to this place, then actually, that position is now a position of real power, because that individual cannot be sacked by the BBC. That person appointed to be the national director for Wales can only be sacked by the Minister. We know that 'Minister' now means the Minister of DCMS in consultation with this place. So, here are subtle changes in governance that, if properly used and monitored, I think could be very useful.

[362] **Lee Waters:** So, how do you think they should be used and monitored?

[363] **Mr Jones:** Well, I'd like to see a discussion, in advance of the new governance arrangements of the BBC becoming solidified, where there is an understanding about just how the accountability of that individual to this place is to be described and monitored. I think it requires conversations to be had.

[364] **Lee Waters:** Could I, as we have you here, ask a separate question briefly about your role in the creative sectors panel and how this has emerged? Correct me if I'm wrong, because it's a sketchy understanding. You were chair of a broadcasting panel that then was dissolved. Is that right?

[365] **Mr Jones:** The broadcasting panel was a task and finish group.

[366] **Lee Waters:** Right; and it's finished.

[367] **Mr Jones:** It's finished.

[368] **Lee Waters:** Without publishing anything.

[369] **Mr Jones:** We produced a lengthy paper for the First Minister, which he would use to inform policy, but—

[370] **Lee Waters:** It never saw the light of day.

[371] **Mr Jones:** It's not been published.

[372] **Lee Waters:** Right. Do you know why that is?

[373] **Mr Jones:** No, I don't.

[374] **Lee Waters:** Okay. In terms of your involvement on the creative sectors panel, that doesn't touch on broadcasting at all per se other than in terms of exports and economic—

[375] **Mr Jones:** It specifically excludes broadcasting, and it's really centred around, quite simply, the economic and commercial benefits we can bring to Wales across the creative industries. As you know, over the last several years, we've concentrated on international drama where, thanks to some brilliant officials, we've been very successful.

[376] **Lee Waters:** But you did have a role vis-à-vis S4C in terms of the Egin project, where you—

[377] **Mr Jones:** We were asked to provide advice on that issue, yes.

[378] **Lee Waters:** And your advice wasn't taken.

[379] **Mr Jones:** Our advice was not on the move of S4C to Carmarthen. Our advice was offered on the viability of the Egin project. We looked—this is the panel and the officials—at the business plan for the Egin project, and we were not satisfied it provided value for money—value for public money. We fed that into the Minister. The Minister later concluded that a lower offer should be made, based on normal Welsh Government investment criteria, and that's the beginning of the end of our involvement.

[380] **Lee Waters:** Are you satisfied with the outcome of that?

[381] **Mr Jones:** The outcome was not for me to be satisfied or not with. It's a political judgment based around a whole range of assessments; bearing in mind we were only looking at the economic side, and we specifically, in our advice to the Minister, excluded anything to do with social benefits, educational benefits and linguistic benefits.

[382] **Lee Waters:** I'm interested in your view on the outcome.

[383] **Mr Jones:** I think the outcome is one that I hope leads to success.

[384] **Lee Waters:** Thank you.

[385] **Bethan Jenkins:** That's a politician's answer. [*Laughter.*] We'll move on to visibility quickly, but I think we have addressed it a lot. Hannah.

[386] **Hannah Blythyn:** Yes, just moving on, you talked about the challenges faced in the digital age. I just want to refer perhaps to a couple of things in your written paper—the written paper from Boom. When S4C were in—Huw Marshall said they hadn't invested enough in their online presence. I think, in your paper, you say that it's important that S4C has the freedom to be able to develop this as part of its remit. I wondered if you could just expand on that to us.

[387] **Mr Jones:** Which aspect on it in particular?

[388] **Hannah Blythyn:** I think you said it was important that S4C has the freedom to develop its digital presence and means of promoting itself.

12:00

[389] **Mr Jones:** I think that one was actually quite a simplistic comment, because it refers only to the remit they have at the moment. My wider view on it is that they need to be platform ubiquitous, really. They need to be able to produce content and then decide on how it's provided to people at large. And if you take an example of a particularly successful exercise in Wales over the last 30 years, which is the *papurau bro*: the *papurau bro*, for example, are an entry point to communities, so why wouldn't we produce a digital strategy that encompasses dragging those communities into our content? I spoke earlier about *Ninnau*, which is the Welsh language newspaper in North America. Why wouldn't we try and produce a digital strategy that encompasses that, so that there's outreach for our programmes, and at the same time, potentially, adding some commercial value to those papers? Because hopefully they'd increase their circulation and the local adverts would double in size. Minuscule sums of money from our viewpoint, but hugely successful and important at that sort of level.

[390] **Ms Thomas:** I agree. I think S4C could play quite an integral role in perhaps creating a new digital infrastructure for the Welsh language, and for

normalising the Welsh language on multiple platforms—particularly on the social media sites.

[391] **Mr Jones:** One slightly more revolutionary aspect of that, which you might want to consider, is that as this whole engagement between people and other people and communities and Government and public services works, at some stage there will need to be a very clear strategy for Wales in terms of how it engages with its citizens for the provision of public services. We know about things like the well-being project, which is going to be initiated down in Llanelli. Part of it will be: how do we engage, in health and care terms, with people digitally? As we need, as a country, to make people aware of what's happening and to have news and current affairs—all this sort of thing—put in front of them in a very diverse media world, the concept of some sort of digital passport for Wales, which encompasses their engagement with public bodies but also elements of the news and information that they presently get from the BBC, *papurau bro*, newspapers, television and so on, will be part of the challenge. How do we create that community called Wales in this digital age? And this place will have its own requirements. Changes in the benefit arrangements for Wales, a couple of years ago: we did not in Wales—they didn't in England either, but we didn't in Wales—have a way of engaging with our people to make sure that they were aware of what the changes were and how it impacted their lives. So, it's all part of a general need for ways of talking to people as public bodies, as well as providing them with entertainment and news and all that sort of stuff.

[392] **Bethan Jenkins:** Sori—fe wnes i anghofio am y berthynas â'r BBC. Dai Lloyd, a wyt ti eisiau gofyn cwestiynau?

**Bethan Jenkins:** I'm sorry—I forgot about the relationship with the BBC. Dai Lloyd. Do you want to ask questions?

[393] **Dai Lloyd:** Rydw i'n credu bod y rhan fwyaf o'r cwestiynau wedi cael eu gofyn, yn sylfaenol.

**Dai Lloyd:** I think that most of the questions have been asked.

[394] **Bethan Jenkins:** Ocê. Fe wna i symud ymlaen, felly. Mae yna fwy o gwestiynau ynglŷn â'r effaith economaidd, ac mae Neil Hamilton am arwain. Diolch.

**Bethan Jenkins:** Okay. We'll move on, therefore. We have further questions on the economic impact, and Neil Hamilton will lead on this. Thank you.

[395] **Neil Hamilton:** I take the points you've made already about how S4C

shouldn't really be seen in terms of potential profitability. It's an impossibility to think in those terms, given the scale of its likely market and that it's restricted by the number of Welsh speakers. But you've been talking about other ways in which S4C could develop funding streams; it's an interesting idea you had about using its production facilities to make programmes for schools and things like that. To what extent do you think you could flesh out the potential for S4C to become, at least partly, independently funded rather than just on a drip feed from the BBC and DCMS? Is there a scope for S4C having a greater economic impact within Wales than just being dependent on public funds—directly I mean, as opposed to creating services that have an economic or commercial value that could be provided by other—

[396] **Mr Jones:** The honest answer, I think, is 'no'. Let me answer it partly by referring not to Wales but to Scotland. We have quite a large operation in Scotland. I work with the Scottish Government, I'm familiar with the media there. With a larger population and with probably a more vibrant non-television media economy than we have here—particularly out of Aberdeen and so on—they are coming to the realisation they're in exactly the same position as we are. So, you know, you have people as diverse as 'The Scotsman' group, Glasgow Herald group and D.C. Thomson group in the north trying to get together to get any sort of synergies of cost savings as they realise that the scale of the media threat externally effectively takes them away from being great profit generators to being very different. Glasgow Herald, a good newspaper—incidentally, they do a lot of work with the Scottish education department, which we partner them on—are cutting back all the time on their journalists as so much of the media spend, generally, gets into areas outside their geographical control and remit. So, that's one of the things about getting the service licence for S4C—it would allow us to, allow you guys, to monitor how effectively they're doing, but also having the understanding of Wales that is realistic in terms of what they can achieve. You can't make money out of job advertising in Scotland now. The digital platforms have taken the money away from the old providers. It's a very different environment out there now, I think.

[397] **Neil Hamilton:** Yes, I see that. If S4C were to produce more of its own content, do you think that would be disastrous from the point of view of other independent production companies in Wales?

[398] **Mr Jones:** Completely. [*Laughter.*]

[399] **Ms Thomas:** You're asking the wrong person.

[400] **Mr Jones:** I think it clearly would be very damaging. But, you know, in our case, S4C is probably 5 per cent of our total revenues, so it's relatively small, but the Welsh operation would suffer enormously. Let me answer the question slightly differently. The BBC, over the last 15 years, has been dragged screaming out into the marketplace to the extent that it now has to provide all of its programmes to be exposed to the market in terms of who can produce it best and who can produce it cheaper. The independent sector is beating them hands-down across a whole range of genres and programmes. The reason for that is partly because large organisations, however well they're managed, tend to become sclerotic and I think a body that had control of both commissioning and production would, within a relatively small number of years, become quite self-satisfied. We can't, because we compete against one another all the time, and I think it's that element of competition that is itself the justification for not going with an in-house approach.

[401] In the good old days of ITV, where they did have in-house production, each region was allocated and set a number of hours, so it was a protected market. Once that disappeared, they too began to suffer from the effect of real competition in the marketplace. I think competition is healthy—some we win, some we lose. It's all very sad, really.

[402] **Bethan Jenkins:** Nia.

[403] **Ms Thomas:** Again, I couldn't agree more. I don't see the logic of S4C producing its own content. I don't see how it will create any more income to be perfectly honest with you. It flies in the face of the direction of travel with regard to what the Communications Act 2003, et cetera, has been putting in place and what has been put in place over the years. It could, in my view, have an effect of distorting the market. What you've got to think about as well is how much would setting up an in-house department at S4C cost them. They don't have the necessary expertise to do it. It could have an impact on prurality—I told you I couldn't say that word.

[404] **Bethan Jenkins:** We know what you mean. [*Laughter.*]

[405] **Ms Thomas:** Plurality. The fact that Welsh companies—independents—are located across the whole of Wales is obviously going to mean that there's a benefit to various parts of the Welsh economy by having the indies



producing content. If you were to look at something like BBC Studios and the fact that obviously now the BBC is going to be putting out most of its content to tender in the next 11 years, they are going to have to come up with a formula that's going to protect themselves from perhaps appearing as if they're favouring BBC Studios over favouring the independent sector. So, how does S4C possibly start putting something like that into place? It just does not make any logical sense. I just can't see how it could be potentially beneficial.

[406] **Neil Hamilton:** No, there is an indelible potential conflict of interest in the two roles of commissioner and producer; I fully understand and agree with you on that. One of S4C's gripes is in respect of broadcasting rights, if the rights rest with the production companies but they're not being exercised and the content is just parked and they would like to use it. What's your view of that?

[407] **Mr Jones:** I actually take a view that is probably at odds with everyone in my industry, which is that, in the case of Welsh language programming, I would prefer not only that S4C kept the rights—with one exception, which I'll go on to—but that the right to use and reuse that content ought to be freely available to anyone else that can bring it to the attention of potential viewers. Content paid for by the public purse ought to be there to be shown to people, not protected. The only exception I'd make is—I'll use a real-life example, which is *Hinterland/Y Gwyll*. They didn't pay for that. All they did was pay for the Welsh language version broadcast rights. In that situation, clearly, they can't have all the rights, they can only have the rights they paid for, because other investors, my own company and others as well, are involved. But, with that one exception, why shouldn't things paid for by the public purse be freely available? It seems, to me, to be a nonsense.

[408] **Bethan Jenkins:** Nia.

[409] **Ms Thomas:** I think that—I do actually feel like I've agreed with everything you've said. The fact of the matter is that, where the content isn't exploited by the producer, there should be a conversation between the producer and S4C regarding how that content might be exploited. I don't particularly think that content sitting on a shelf doing nothing is good for S4C or the Welsh language, when it could actually be performing or being viewed. So, I think that producers—and I can speak on behalf of our company; we would be very happy to have that conversation on a case-by-case basis about how we might—

[410] **Bethan Jenkins:** You're not having it at the moment? Why is there not that conversation already happening?

[411] **Ms Thomas:** There are obviously limitations by way of the Communications Act 2003. What we need to make sure doesn't happen is that there is a blanket policy that Welsh producers' content is not owned by them, whereas, obviously, producers producing across the border, they own their own content. That's never going to change. Well, it might change, but I can't see—there's going to be a lot of fighting for those rights to remain as they are. So, I think that, rather than it being a blanket policy that it's different here in Wales for Welsh producers, I think it should be a conversation on a case-by-case basis. I don't think that S4C's asking for more than that, to be honest with you. As I said, it is a case of co-operation and talking to each other regarding what can be done. And it is happening—

[412] 12:15

[413] **Bethan Jenkins:** That's what I meant. Is that happening? If you're saying that it needs to happen, is it actually happening, because, obviously, if it's not being exploited, it can be, and why isn't it, if it can be?

[414] **Ms Thomas:** I think that, those conversations, they're not necessarily happening in great detail at the moment, but what has been happening, as I referred to earlier, is the fact that we have, jointly, and on S4C's request, and I don't think this is a bad thing, been clearing our content for international—oh, what's the word—distribution, sorry, and that content has been shown on S4C's *gwylio* app internationally, which means it hasn't just been limited to the UK. So, what has happened there is we have co-operated with them to clear the footage. You could argue that that's not something that we should be doing, if you looked at the Communications Act—the rights should be a certain set of rights and that should be it. But we are, therefore, working with them to clear our rights more internationally, so that we can distribute it wider than is currently being done. So, there is co-operation in that respect.

[415] **Bethan Jenkins:** Okay.

[416] **Mr Jones:** Newidiwyd y rheolau **Mr Jones:** The rules were changed oherwydd roedd darlledwyr Prydeinig because British broadcasters were yn camddefnyddio'u pŵer yn y abusing their power within the farchnad. Ond nid ydw i'n credu mai market. But I don't think that that's

dyna'r sefyllfa yng Nghymru, ac nid wyf yn licio'r defnydd o'r gair '*exploited*'. Mae e'n cynnig rhyw fath o fantais masnachol, ac nid wyf yn credu dyna fel mae Cymru'n gweithio. Pan fyddem ni'n edrych ar y trysor mae'r llyfrgell genedlaethol wedi ei ddatblygu dros y blynyddoedd, sydd ar gael i'r cyhoedd, ac ar gael i'w ailgylchu a'i ddefnyddio, pa les yw e i'r iaith Gymraeg ein bod ni'n cadw'r hawliau yma a stopio pobl rhag defnyddio nhw mewn ffyrdd newydd, gyda dychymyg sydd yn apelio i bobl? Dim ond bod nhw'n cadw o fewn rhyw fath o reolau call o ran camddefnydd a chyfraith ac yn y blaen, rwy'n *relaxed* am y peth.

the situation in Wales, and I don't like the use of the word 'exploited'. It suggests some sort of commercial advantage, and I don't think that's how Wales works. When we look at the treasure and the wealth of material that the national library has developed over the years, which is available to the public, and available to be recycled and reused, then what benefit is it to the Welsh language that we should retain these rights and preclude people from using them in new, innovative ways, with imagination that could appeal to people? As long as they remain within some sort of rules on misuse and within the law, then I don't see a problem.

[417] **Bethan Jenkins:** Diolch yn fawr iawn. Rydym ni'n wedi mynd dros amser.

**Bethan Jenkins:** Thank you very much. We have gone over time.

[418] **Lee Waters:** Can I—

[419] **Bethan Jenkins:** Os yw e'n fras iawn.

**Bethan Jenkins:** Very briefly.

[420] **Lee Waters:** Just to pick up on the principle you mentioned of that, when public money is being spent, certain standards should be assumed to be taking place, we took evidence earlier this morning from BECTU, who made the point that, of the private sector suppliers to S4C, trade unions were not recognised and I just wondered why that was.

[421] **Mr Jones:** Would you like me to go first? In our case, our relationship with BECTU is long and acrid, on the basis that, when I first set up the company, BECTU blacked us for five years, on the basis that we would not employ people made redundant by HTV. And I was committed then and now to an arrangement whereby I recruited my own staff, trained them to our high standard, and made them part of the industry. So, whilst I think a lot of

our members, a lot of my colleagues, are union members—the National Union of Journalists and BECTU particularly, my record of dealing with them shows them not to be partners that I can trust in commercial negotiations.

[422] **Ms Thomas:** The difficulty for us as companies is that we can't ask our members of staff whether they are members of BECTU or any other trade unions. We're not aware of who are members of what. There is obviously the agreement between TAC, the Independent Producers Alliance, and BECTU, which is operated and adhered to in as much as it can be. So, I don't quite understand where BECTU is coming from when it comes to making statements—

[423] **Bethan Jenkins:** If you could perhaps send us a note on your relationship with the unions and where that stands in your negotiations, because we've run out of time. If that's possible—if there's any outstanding concerns, or—.

[424] **Ms Thomas:** I don't have any concerns, but we can follow up with that, if you'd like.

[425] **Bethan Jenkins:** Well, if you can talk to the clerking team, perhaps.

<p>[426] Ocê. Diolch yn fawr iawn i chi am ddod mewn i roi tystiolaeth yma heddiw, ac rydym ni'n gwerthfawrogi'r amser rydych chi wedi ei roi i ddod mewn, ac rwy'n gobeithio y byddwch yn edrych ar yr hyn y mae'r pwyllgor yn ei wneud gyda'r ymchwiliad fel mae e'n datblygu. Os oes unrhyw sylwadau ychwanegol, nid dim ond ar y mater hwnnw, ond materion nad ydym wedi gallu eu trafod heddiw, plîs ysgrifennwch ato ni, neu e-bostiwch ni. Diolch yn fawr iawn.</p>	<p>Okay. Thank you very much for your evidence today. We do appreciate the time that you've given to us, and I hope you will take an interest in what the committee is doing with its inquiry, as it develops. If you do have any additional comments, not only on that final issue, but other issues that we may not have covered today, then please do write to us or e-mail us. Thank you very much.</p>
--	---

<p>[427] <b>Mr Jones:</b> Diolch yn fawr, Bethan.</p>	<p><b>Mr Jones:</b> Thank you very much, Bethan.</p>
---	--

<p>[428] <b>Ms Thomas:</b> Diolch yn fawr.</p>	<p><b>Ms Thomas:</b> Thank you.</p>
--	-------------------------------------

12:20

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd  
o'r Cyfarfod ar Gyfer Eitem 7**

**Motion under Standing Order 17.42 to Resolve to Exclude the Public  
from the Meeting for Item 7**

*Cynnig:*

*Motion:*

*bod y pwyllgor yn penderfynu that the committee resolves to  
gwahardd y cyhoedd o weddill y exclude the public from the  
cyfarfod yn unol â Rheol Sefydlog remainder of the meeting in  
17.42(vi).*

*accordance with Standing Order  
17.42(vi).*

*Cynigiwyd y cynnig.*

*Motion moved.*

[429] **Bethan Jenkins:** Rydym ni'n symud at eitem 6, a chynnig o dan Reol Sefydlog 17.42 i wahardd y cyhoedd o'r sesiwn. A yw pawb yn hapus gyda hynny? Bodlon. Diolch yn fawr iawn.

**Bethan Jenkins:** We move to item 6, and a motion under Standing Order 17.42 to resolve to exclude the public from the remainder of the meeting. Is everyone content with that? Content. Thank you very much.

*Derbyniwyd y cynnig.*

*Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 12:20.*

*The public part of the meeting ended at 12:20.*