



Key points for TV Licence Fee negotiation

As submitted for consideration by Department for Digital, Culture, Media & Sport

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TAC's relationship with S4C

- As the trade body representing the independent TV content production sector in Wales, we have been pleased at the way in which recommendations from the 2018 Independent Review of S4C and the response of UK Government have been implemented since its publication.
- S4C and TAC have already come a long way in acting on the recommendations of the review in terms of strengthening our partnership. TAC and S4C meet regularly and S4C consults with TAC on how they can best support the sector. This has been especially true since the beginning of the Covid-19 pandemic, with S4C working swiftly to provide additional commissioning rounds to ensure they have supported the independent producers. In turn, the sector responded in a remarkably resilient way, adapting their working practices to continue to supply content to the broadcaster and maintain their contribution to the economy.
- S4C and TAC established a training partnership in 2018 to invest in developing talent and skills across the sector in Wales. In 2020, over 500 delegates attended 33 training sessions on 16 subjects. The training programme moved online in April 2020 during the first lockdown, ensuring inclusive access to the whole sector and providing free places for freelancers throughout.

TAC's key positions on the TVLF negotiations

The Independent Review of S4C in 2018 recommended that S4C be allowed to carry out more activities on other platforms to broaden out from operating a linear service.

- While the legislation to enact some of these recommendations is still to be passed, S4C is already operating a new digital hub and planning to broaden out its offer on other platforms.
- The 2018 Review recommended that S4C needs to move from becoming a linear channel with a digital service attached to serving as a media service provider working on all platforms to ensure it is on the right footing for a new media world. S4C has already showed strategic ambition in its digital provision to build a multi-platform presence. Attracting young viewers to digital platforms with content created by young practitioners – writers, directors and contributors – is feeding the talent pipeline and building Welsh-language content, which will also support Welsh Government's target of one million Welsh speakers by 2050.

- S4C will clearly need additional budget in order to continue to develop this strategy and we believe that at this key moment, the government should agree with S4C an additional portion of TVLF revenue to allow it to achieve its objectives, as set out in the Review and approved by Government itself.

The economic impacts of content created with S4C funding

- The increase in reach of Welsh-language programming, now broadcast across the UK on television and online and worldwide via S4C's Clic service to a far bigger audience, enables the production sector to sell its content worldwide, thus exploiting its IP and returning money to S4C. In 2020, for example, a cross-section of TAC members surveyed reported increased programme and format sales, to over 25 territories in drama, children's and documentary genres.
- If S4C is to be more commercially active, as specified in the Secretary of State's letter to S4C of November 2020, it needs to be able to co-fund or part-fund more projects with other broadcasters or distributors in order to stimulate more return from such projects. They therefore need to be able to invest more widely in a range of content in the market.
- The cultural reach of S4C broadcasting of national events such as the Urdd (youth) Eisteddfod and National Eisteddfod, music festivals and a wide range of other events cannot be underestimated. The cancellation of these events in 2020 and 2021 has had a severe economic and cultural impact, although the producers of the Urdd Eisteddfod responded swiftly by creating online events to engage the young people who would usually attend. The producers of the Royal Welsh Show, Llangollen International Musical Eisteddfod and the National Eisteddfod created hybrid events using archive and safely-distanced fresh presenter inserts to provide the audience with coverage of their favourite events.
- However, the impact of the cancellations was felt by the production companies, by hundreds of freelancers who work for them over the summer, the areas which host the events and the wider business infrastructure which benefits from these events, such as local public and private transport, hospitality, craftspeople, and retail.
- It is essential for S4C to be able to continue to fully invest in the sector as it looks to return to a post-Covid level of activity.

The cultural and educational impact of S4C funding

- Online digital content is extremely important in reaching the 7-15 age group which has missed the connection with the Welsh language usually provided through their education over the past year, which is often not available to them via home schooling. This is also a matter of economic interest, as these young people will need to be at the heart of the one million Welsh speakers and the next generation of newcomers to the creative industries in the digital media landscape.
- This is not just about Welsh culture but UK culture also. With the idea of separatism of nations more prominent than it has been for decades, the UK Government's support for the Welsh language is of significant benefit to the people of Wales.

The proportion of TVLF revenue allocated to S4C needs to increase

- As stated above, S4C has a very close relationship with the production sector in Wales and this has been crucial in recent times as it has worked to ensure commissioning continued during the pandemic and through partnership with TAC took skills and training online.
- While independent production companies in Wales work with all broadcasters, S4C provides a crucial stable commissioning base plus it often provides new companies with their first commissions.
- S4C has sustained a c.36% real-terms decrease in its public funding since 2010. To cope with this, S4C has introduced many efficiencies and the TV production sector in Wales has followed suit. However, these efficiencies cannot be replicated going forward.
- We are assuming the current c.£6.8m from DCMS will now come from the TVLF (currently responsible for c.£74m of S4C's public funding) but together they total £83m, which is still substantially below S4C's previous income of £100m+ direct government grant up until 2010.
- In the future, S4C will not function solely as a single linear channel. S4C needs to adapt and evolve with the age to be suitable and relevant from 2022 onwards.
- This will require additional funding and we support S4C's call for an additional £10m funding per annum with the purpose of: developing a range of digital player friendly content; meeting greater technical and infrastructure costs, as well as maintaining the provision that appeals to its core audiences.