



## **Response to the Culture, Communications, Welsh Language, Sport, and International Relations Committee Consultation:**

### **Priorities for the Sixth Parliament**

**September 2021**

TAC (Teledwyr Annibynnol Cymru) is the industry body for the independent production sector in Wales. The sector is a highly important element of the creative industries in Wales and the UK overall, providing economic, social and cultural benefits through supplying creative content. Over 50 companies work in the sector, ranging from sole traders to some of the leading players in the UK production industry. TAC members produce content for the BBC, ITV, Channel 4, Channel 5 and Sky as well as other commercial broadcasters. They produce almost all the original television and online media content for the Welsh-language broadcaster S4C, and a variety of radio productions for UK-wide networks.

This paper responds to the three questions posed by the Committee in its call for evidence when planning its forward work programme for the Sixth Parliament.

#### **What is the current impact of the Covid-19 pandemic, and what additional support is needed from the Welsh and UK Governments to mitigate the impact of the pandemic and enable recovery following the pandemic?**

The television production sector continues to face significant challenges due to the impact of Covid-19. From March 2020 until the summer, a number of productions in different genres were cancelled or postponed; primarily live broadcasts, cultural events and sport and drama productions. Production costs increased considerably due to implementing new health and safety regulations in offices and on productions alike, and because of the effect of the pandemic on the cost of insurance. These elements continue to engender considerable uncertainty in the sector in terms of cashflow and the ability to employ production talent, both staff and freelance, in the medium and long term.

It was essential that the television and film sector should establish specific health and safety guidelines for working under Covid-19 conditions. TAC was a part of the consortium of broadcasters and trade bodies that developed and updated these guidelines as the sector recommenced its work, and they were key as working circumstances relaxed to a degree and then tightened again before going into another lockdown before Christmas. A number of production companies have also retained additional specialist consulting support. Clearly, health and safety issues remain a priority to protect production teams and crews and contributors and artists, including giving due consideration to mental health issues.

Environmental issues are increasingly important to TAC members as production increases to pre-Covid levels once again. S4C is currently working with the sector to introduce the Albert sustainable production scheme into its commissioning regime, and in the meantime, environmentally beneficial practices are being introduced by an increasing percentage of the independent sector.

The impact of the pandemic on production businesses has been variable. Although events and sports initially disappeared from the schedule, and productions such as drama closed temporarily, companies continued to produce entertaining and informative quality content for the audience while they adapted their way of working to create new, innovative programmes under unprecedented conditions. Their flexible, creative and practical response was astonishing, and key to S4C's ability to look after their audience during the early difficult months of the pandemic.

A range of TAC members used UK and Welsh Government support for businesses including the Business Disruption Loan Scheme (CBILS), Job Retention Scheme (furlough), Bounce Back loans, VAT Deferral Scheme, Business Rate Relief, Emergency Digital Development Funds and Creative Wales Emergency Television Funds, Economic Resilience Fund and Small Business Grant.

Research by Ofcom has shown how important media were to the residents of Wales and the UK as a whole during the pandemic and the importance of public broadcasting has been highlighted, particularly in the turbulence of the early months. The content of programmes that reflected the situation and provided quality news and information, together with comfort and entertainment for audiences, was extremely valuable. The creative industries are certainly central during this recovery period from the pandemic, both economically and socially.

The broadcasting industry in Wales is awaiting the UK Government's announcement on S4C's future financial settlement. This is causing uncertainty at the moment in addition to the uncertainty that the pandemic has created. TAC has supported S4C's proposal to the UK Government for an increase in its budget to ensure that the programme budget continues to be sufficient, and for the content created to be available across the widest possible number of platforms, in line with the independent review of S4C in 2018. A fair settlement must be achieved if a strong and vibrant creative production sector is to be grown and sustained for the future.

It is not known what the long-term effects of the pandemic will be or how long this situation will last. The broadcasting industry needs assurances that any future advice and support will be properly organised and tailored to the needs of the sector. Financial support needs to be ring-fenced and targeted as necessary with flexibility.

Many companies have increased the risk level both financially and in terms of employment during the pandemic. Financial support is needed for the companies that have not yet claimed support, and also to support the companies that have taken a greater level of risk during the initial period of recall in the first 18 months.

Continued investment to maintain and develop the skills of the production sector is vital. TAC and S4C run a training partnership to meet the needs of the sector. When the pandemic came, courses migrated to be online. In 2020, 500 employees attended 33 training sessions in 16 different areas, and free places are available for free-lance workers since the start of the pandemic to support them in difficult times. TAC would welcome further help and support to build on this work.

It has been a particularly challenging time for freelancers, as so many productions and series have been cancelled or postponed as a result of the pandemic. As a number of productions resumed filming this year, and as Wales also attracted an increasing number of network commissions, a situation of employee shortages was highlighted in certain areas, including specialist areas such as directing, production management, editing and sound.

A positive element of communication that has emerged during the pandemic is that face-to-face meetings and networking that involve travel are no longer always necessary. TAC hopes that the

commissioners of the public and commercial broadcasters will do more to establish and maintain contact with the sector in Wales using video and online conferencing technology as we have become used to doing. This will allow better access to the sector in Wales to commissioners based in London and elsewhere. Given that production companies are based all around Wales, TAC would also like the Committee to consider engaging more with the sector using these online methods. This is a golden opportunity to increase contact between the production industry and the Senedd.

**What issues should the committee prioritise when planning our work programme for the short and long term?**

The broadcasting and production sector is a very important element of the creative industries in Wales and the UK. The pandemic has underlined the importance of the media as being central to the culture of Welsh life. Efforts to continue to provide attractive, high-quality content have paid off with a significant increase in S4C's viewing figures.

Senedd and Welsh Government already have the right to scrutinise Ofcom in accordance with a Memorandum of Understanding agreed in 2017 by the UK Government, the Senedd, Welsh Government and Ofcom. TAC engages with Ofcom in Wales and London, and the regulator is keen to discuss industry issues with us on a regular basis, including their current consultation 'Small Screen: Big Discussion'. There is a need to ensure that the Committee takes further advantage of the statutory right to scrutinise Ofcom and continues to work with DCMS.

Senedd and Welsh Government are also now playing a more prominent role in holding the BBC to account. Although a significant proportion of content made in Wales is produced in-house, the BBC works with the production sector in Wales through BBC Cymru Wales and the network commissioners. Again, there is a need to ensure that the Committee takes further advantage of the statutory right to scrutinise the work of the BBC and to continue to work with DCMS and Ofcom as they review BBC regulation in 2021/22.

In terms of broadcasting in Wales, there is a need to ensure that enough programmes that reflect Wales and its people are available from the English language provision of the public broadcasters, including BBC Wales, and that there is room for companies embedded in Wales to create content for those broadcasters. TAC was pleased to see the news published in early September about the Memorandum of Understanding between Creative Wales and the BBC, and we would recommend to the Committee to take advantage of its right to scrutinise this as it develops over the next three years.

In this multi-platform era, TAC believes that it is vital that the Committee should regulate the broadcasting of linear television, radio and multi-platform content in all genres, including news and current affairs. In addition, we consider that ensuring plurality of news provision for Wales should be part of the work of a broadcasting regulator.

TAC believes that the Committee should have an increasing role in working in partnership and building its relationship with the production sector in Wales. It is essential that the Senedd and the Welsh Government discuss and engage regularly with the industry and pass on the messages of the needs of the industry in Wales to Westminster. Scrutiny of S4C's activities should be a priority for the Committee to ensure that the channel fulfils its statutory duties.

TAC welcomes productions coming to Wales to film, from the rest of the UK and from overseas, but we must ensure that that does not have a negative impact on the home-based sector. It may be possible to twin home and visiting companies for the benefit of the visiting production and the sector, particularly in terms of skills.

TAC is keen for the Committee to look creatively at how the topics and areas within its remit link together.

Broadcasting and the Welsh language are two prominent areas with a close relationship within the subjects. Most of S4C's programmes are produced by independent companies in Wales, portraying the people of Wales, our stories and our lives to a home audience, to the rest of the UK and the world. S4C and the production companies through their programmes also have a key role to play in meeting the Welsh Government's target of a million Welsh speakers by 2050.

**How does Brexit and the new relationship between the UK and the EU affect you and your organisation? What support have you received to respond to the changes? What further support, if any, is needed from the Welsh Government and the UK Government?**

The process of leaving the European Union created great uncertainty in the broadcasting industry, raising concerns about the possibility of a significant negative impact on the market. There were also concerns about the long-term implications for production as it became more difficult for onscreen and crew talent to come to the UK and for companies to film in the European Union due to increased administrative duties and additional costs, as well as changing access to EU markets. The Welsh and UK Governments need to continue to develop further help and support to replace the networks which have been removed or depleted.

Following the UK's departure from the EU, TAC sees that there is a crucial role for Parliament and Welsh Government to work increasingly with the UK Government and DCMS in relation to foster relations with the European Union to further support and raise the profile of the production sector in Wales.

International links are a vital element of the broadcasting industry in Wales. Sales of programmes and formats internationally have increased in recent years, and TAC members are experienced in co-productions with international broadcasters and distributors. This has created a vibrant television production market that the sector in Wales has sought to take full advantage of. It is therefore very important for the economic success of the sector for it to be seen as part of the wider creative industries of the UK, both in policy and from an international broadcasting perspective.

Wales' creative industries as a whole represent a significant growth opportunity and they support many related industries, including catering, transport, crafts, costume and design. Successful co-productions and series selling abroad help promote Wales as a tourism destination.

Some Welsh Government funding was available for producers to visit international programme markets at one time. Re-establishing funds to reinstate such grant support would be a great help, especially in light of changes to rules on travel and trade with EU countries. It is important to increase specialisms in the sector in Wales and maintain and grow its international profile. To do this, companies need to train their staff to work internationally. Therefore, grant-in-aid at Welsh and UK Government level is very important.

In terms of continuing to attract investment in UK production as a whole, it is essential that the current system of tax relief, including for film, high-end television productions, animation and children's programmes continues, and it would be beneficial for producers in Wales if the access criteria were reduced so that they could apply within the budgets available to them, which are much smaller than those at the top of the commissioning structure.

The UK Government has decided not to continue its relationship with the Creative Europe Media programme, the EU funding programme for the cultural and creative sectors. Whilst funding was available through the programme, one example of its advantage was the company Fiction Factory, who received a sum of money to support drama production *Y Gwyll / Hinterland*. This was a great international success, introducing S4C's drama content to new audiences and paving the way for other successful dramas.

The UK Government needs to be clear about how it will replace this vital funding, which enabled companies in Wales to collaborate with other countries which are home to minority languages, such as Ireland, Catalonia and the Basque Country. There needs to be certainty about what funding will be available to support the industry in the future and ensure vital funding for various companies, productions and enterprises. Failure to maintain this funding stream would withdraw important seed funding at a time when the industry is already experiencing other financial problems in the wake of Covid-19.

There may be room here for the Senedd to develop new links with the European Union and possibly specifically the EBU, in order to strengthen the relationship between the Senedd and other countries with minority languages, but in the context of broadcasting in particular. Perhaps a new partnership of this kind needs to be established by the Committee.