Dear Sir/Madam

BBC Charter Review Public Consultation
Department for Culture, Media and Sport (DCMS)
100 Parliament Street
London
SW1A 2BQ

07/10/2015

Here is a summary of the Welsh Language Commissioner's comments in relation to the Department for Culture, Media and Sport's consultation on amending the BBC charter.

- The Welsh language is an integral part of the culture of the United Kingdom and it is vital and appropriate that its presence across the platforms of various public broadcasters in Britain continues and increases.

- The wide range of Welsh-medium content provided by the BBC and S4C is essential for the Welsh language to thrive in the future.

- The BBC and S4C Welsh-medium broadcasting service makes a valuable contribution to the economy of Wales and the UK.

- The recent dynamic changes to audience viewing patterns and requirements are transforming the broadcasting landscape in the United Kingdom and affect all aspects of the BBC’s service. Trends in the viewing patterns of Welsh-medium television and radio programmes are no exception, and they should not be considered as such when planning for the future.
I welcome the BBC’s commitment to broadening the reach of its Welsh medium content and adapting the service to meet the needs of a Welsh speaking audience.

It is fair and appropriate for Welsh speakers to continue to enjoy a radio, television and on-line broadcasting service of the same standard as the English medium users, and those of other UK languages, despite the comparably smaller size of the Welsh speaking audience.

Changes to the BBC’s funding system could have a substantial effect on the contribution made by the Trust towards the Welsh medium content of S4C, as well as S4C provision funded via the Licence Fee. In considering the BBC’s funding arrangements for the future, specific consideration needs to be given to how this could affect the provision of the scant Welsh language broadcast services that are available.

As the only Welsh-medium Public television broadcaster in Britain and the only Welsh language television channel in the world, it is vital that S4C continues to serve the Welsh-speaking audience with financial assurance and adequate resources to achieve its purpose.

In this context, and considering the very high proportion of the S4C budget spent on its output, we believe that any suggestion of further cuts or efficiency savings to S4C could raise concerns for the future of the channel and its ability to continue to support and promote the Welsh language.

It is also noted that the UK Government’s Secretary of State for Culture, the Media and Sport has a statutory duty to ensure adequate funding for S4C.

Introduction

The Welsh Language Commissioner welcomes the opportunity to comment on the inquiry. The principal aim of the Welsh Language Commissioner in the exercise of her functions is to promote and facilitate the use of Welsh. In so doing, the Commissioner will try to increase the use of Welsh in the provision of services, and through other opportunities. The Commissioner will also address the official status of the Welsh language in Wales and the statutory duties to use Welsh through the imposition of standards.

Two principles underpin the work of the Commissioner namely

that the Welsh language should be treated no less favourably than the English language in Wales, and
that persons in Wales should be able to live their lives through the medium of Welsh if they choose to do so.

One of the Commissioner's strategic objectives is to influence the consideration given to the Welsh language in policy developments. This is done by providing comments in accordance with this remit and to act as an independent advocate on behalf of Welsh speakers in Wales. This approach is employed to avoid any potential compromise of the Commissioner's regulatory functions and should the Commissioner wish to conduct a formal review of individual bodies' performance in accordance with the provisions of the Measure.

Accordingly, comments are submitted below in relation to the remit of the inquiry.

Background

The importance of Welsh-medium broadcasting

Broadcasting plays a vital role in promoting regional and minority languages worldwide and specifically in Wales. In the European context, the importance of broadcasting is recognized in maintaining and promoting use of minority languages within Article 11 of the European Charter for Regional or Minority Languages. This is also reflected in the ‘Oslo recommendations on the rights of national minority languages’ which suggest 4 specific recommendations in relation to the media and broadcasting in minority languages. Those recommendations highlight the importance of ensuring that the speakers of minority languages have access to broadcasting services that meet their linguistic needs, and how vital that is to the viability of minority languages.

On the British level, one of the purposes of a public broadcasting service is to meet requirements and satisfy audiences' interests. According to the Ofcom guidelines, public broadcasters are expected to achieve the purpose of reflecting the cultural identity of the UK:

‘....To reflect and strengthen our cultural identity through original programming at UK, national and regional level’

In accordance with this, it can be taken that one of the purposes of a public broadcasting service in Wales is to meet requirements and satisfy the interests of the substantial proportion of the audience that can speak Welsh.

2 http://www.unesco.org/most/ln2pol7.htm
3 Section 264(4)(c) Communications Act 2003
The Welsh language is an integral part of the culture of the United Kingdom and it is vital to the language that its presence on various public broadcasting platforms in Britain continues and increases.

The BBC and S4C Welsh-medium broadcasting service

The BBC and S4C provide a wide range of Welsh-medium content on television, radio and on-line.

Based on the Operating Agreement between the S4C Authority and the BBC Trust, BBC Cymru Wales produces around ten hours per week of television programmes for S4C, including Newyddion 9, the drama Pobol y Cwm and sports programmes such as Clwb Rygbi (Pro12). All these programmes are watched by approximately 131,000 per week.

The BBC's influence on the use of the Welsh language extends beyond the content that is available on television. According to the latest figures 119,000 people have listened to Radio Cymru every week in 2014/2015.

BBC Cymru Fyw was launched in May 2014, namely a new on-line Welsh language service and the BBC's first Welsh language app. Since last year S4C is also available as a full channel on BBC iPlayer. Across all on-line content, the service was used in 2014/15 by 89,000 individual browsers per week.

Following the UK Government's Comprehensive Spending Review in 2010, since April 2013 the BBC Trust has been responsible for providing around 90% of S4C's budget from the Licence Fee. S4C is the only Welsh medium public television broadcaster in Britain and the only Welsh language television channel in the world. S4C was watched by 8.4 million people across the United Kingdom in 2014/2015 (an increase of 1.9 million compared to 2013/2014). According to S4C's image tracking survey, viewers are of the opinion that the channel has a positive effect on the development of the Welsh language and people's awareness of Welsh culture. 97% of the viewers who can speak Welsh think that S4C as a channel is important to the Welsh language and that it should continue. 81% also feels that the channel makes the Welsh language seem more modern and relevant.

The key role of S4C and BBC Cymru in linguistic planning in Wales is reflected in the Welsh Government's Welsh Language Strategy 2012-17 ‘Iaith fyw: iaith byw’ (A Living Language: a Language for Living):

‘Public service broadcasters in Wales, including BBC Cymru Wales, S4C and ITV Wales, recently as programmes producer, have played an important part in the work of ensuring that the Welsh language continues to flourish.... The variety and standard of Welsh language programmes on
S4C and BBC Radio Cymru help to ensure that the Welsh language remains a modern language and part of everyday life in Wales.\(^5\)

The wide range of standard Welsh-medium content provided by the BBC and S4C is essential for the Welsh language to thrive in the future.

The economic value of Welsh-medium broadcasting

The BBC makes a substantial contribution to the economy of Britain and specifically to the economy of Wales. It is estimated that the BBC's direct investment in creative industries in Britain in 2013/14 was equivalent to £2.2 billion. In terms of Welsh medium services in 2014/15, £12.8 million was spent on the cost of creating Radio Cymru programmes and £24.5 million on the costs of creating the statutory output for S4C, excluding overheads, distribution costs and others.\(^6\)

In 2014/15 S4C invested £83 million in the economy of Wales and the UK and according to the latest research commissioned by S4C, every £1 of that investment more than doubles in its value to the economy. If so it is estimated that S4C contributed approximately £170 million to the Welsh and UK economy in 2014/15.

The economic influence of S4C includes the creation of new jobs, helping independent companies to grow and supporting supply chains in areas across Wales. According to the S4C annual report in 2014/15, the channel worked with 66 independent production companies to provide the content that it broadcast. S4C's expenditure on commissioned programmes is equivalent to 80.69% of the channel's entire spend.

The BBC and S4C Welsh-medium broadcasting service makes a valuable contribution to the economy of Wales and the UK.

10 Consultation questions

How does the BBC serve its national and international audiences?

It is acknowledged in the consultation document that the BBC has responsibility for supporting various national languages in the United Kingdom. Considering the comparatively smaller size of audiences for regional programmes, compared to the size of audiences for national services, the role of public funding to support regional provision is acknowledged in the consultation document. However, concerns arise that it is not possible to justify the finding at the present level considering the cost of the service, value for money, and viewing figures, especially in Wales.

Service costs and user figures

\(^5\) A living language: a language for living Welsh Language Strategy 2012-17, page 47-48
\(^6\) http://downloads.bbc.co.uk/annualreport/pdf/2014-15/bbc-annualreport-201415.pdf page 139
The comments below are provided on the viewing figures of the services provided by the BBC to the Welsh speaking audience.

- In terms of the BBC's statutory output for S4C the number of weekly viewers of the programmes fell from 155,000 in 2013/14 to 131,000 in 2014/2015. The total budget did not change compared to 2013/14 (£19.4 million) but the cost per hour of Welsh language programmes has fallen from £35.1k to £34.9k. The same number of hours as last year were broadcast, namely 567.

- In terms of the Radio Cymru service the number of listeners fell from 144,000 in 2013/2014 to 119,000 in 2014/2015. The cost of programmes rose slightly from £9.6 million in 2013/14 to £10million in 2014/15, but the cost per hour has remained the same (£1.6k). Also more hours (6936) were produced compared to last year (6828). The cost per hour of all users has increased from 15.3p in 2013/14 to 19.2p in 2014/15.

- In terms of all the BBC's Welsh-medium content on-line, the number of individual weekly browsers has increased from 40,000 in 2013/2014 to 89,000 in 2014/2015, with the number of users of the Cymru Fyw service trebling during the same period.

Therefore, significant changes were seen in the viewing figures for the BBC's Welsh-medium service on television and radio compared to the previous year. A similar trend was seen across the BBC's other television and radio channels, e.g.:

- BBC One: from 74.9% in 2013/14 to 73.3% in 2014/15
- BBC Two: from 50.3% in 2013/14 to 47.3% in 2014/15
- BBC Three: from 20.5% in 2013/14 to 18.4% in 2014/15
- BBC Radio 1: from 20.3% in 2013/14 to 19.4% in 2014/15
- BBC Radio 2: from 28.9% in 2013/14 to 28.4% in 2014/15

As discussed above the cost per hour of the BBC's statutory output for S4C has fallen although the budget did not change compared to last year. In the case of all television channels listed above the total expenditure as well as the cost of use per hour increased. The Welsh programmes provided by the BBC to S4C do not therefore underperform financially compared to the BBC's other channels.

BBC Radio Cymru succeeded in producing more hours compared to last year, whilst the cost per hour remained the same. BBC Radio 1 and BBC Radio 2 have performed in a similar way according to their corresponding indicators.

The recent dynamic changes to audience viewing patterns and requirements are transforming the broadcasting landscape in the United Kingdom and affect all aspects of the BBC's service. Trends in the

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8 Reach (%) of UK population using the service on a weekly basis
viewing patterns of Welsh-medium television and radio programmes are no exception, and they should not be considered as such when planning for the future.

Improving the services for a Welsh-medium audience

Although the changes to the broadcasting landscape are challenging public broadcasters should not respond by restricting the service - rather, there is a need to innovate in order to meet the needs of modern Welsh audiences.

Therefore the huge growth in the use of the Welsh-medium content of the BBC online is to be welcomed. This increase is notable considering the fact that the use figures for the BBC Online service in the UK in general is relatively stable (63.9% in 2013/14; 63.6% in 2014/15).[9]

The increase in use of Welsh-language on-line broadcasting services is promising but the prominent and permanent role of television and radio should not be forgotten. According to Ofcom a higher proportion of the population listens to the radio in Wales than any other nation in the United Kingdom; the BBC's Annual Report and the Audience Council Wales Review noted that ‘audiences in Wales still watch more BBC television and radio services on average than other parts of the UK’. Both are still very important media for Welsh-medium broadcasting. Therefore the launch of new digital transmitters in Wales in 2014 is welcomed, as is the BBC’s commitment to broaden the reach of DAB radio for Radio Cymru and Radio Wales to 86% by mid-2016[10]. Although BBC Cymru’s listening figures for radio this year are lower than last year, a very promising increase of 20,000 listeners has already been seen in the period between January and March this year, and the increase in Radio Cymru listeners via digital means is especially notable.

I welcome the BBC’s commitment to broadening the reach of its Welsh medium content and adapting the service to meet the needs of a Welsh speaking audience.

Value for money

I would like to draw attention to the inappropriateness of evaluating the BBC’s Welsh-medium service mainly or solely on the basis of cost-effectiveness indicators. As noted above, there are other considerations that are at least as important if not more so in considering the value of the Welsh service, such as its cultural value, its key role in the future of the Welsh language, its social value to an audience for which

[9] Reach (%) of UK population using the service on a weekly basis
there is no Welsh medium provision available from commercial broadcasters, and its value to the economy and the labour market in Wales.

For example, compare the cost per user of BBC Radio Cymru services and national radio services at British level. The cost of 19.2p per hour per user of Radio Cymru services broadcasting in 2014/15 is higher than the corresponding figure for other radio channels e.g. - 7.0p for BBC Radio Wales and 1.1p for BBC Radio 1. However, the size of the target audience must be considered. Whilst BBC Radio Cymru reaches 4.6% of the population of Wales, BBC Radio 1 is listened to by 19.4% of the population of the entire United Kingdom. Comparing the reach of Welsh medium and English medium television and on-line content would indicate a similar difference. Considering that, it is not fair or appropriate to assess the value of the Welsh service by comparing the cost of the service per user.

Of course, the target audiences of national English broadcasting services will always be very different to the size of the target audiences of Welsh-medium broadcasting services in Wales. Taking it that the production costs of standard television, radio and on-line content is the same in any language the cost per user per hour will always be higher for Welsh programmes than the corresponding cost for national English programmes, as those services are aimed at so many more people.

This does not mean that the social, cultural and linguistic value of the Welsh service is any less to its users than the value of the English service to its users. Neither does it mean that the economic value of the Welsh service is any less, as it creates work and jobs in the creative sector like any other broadcasting service. It is therefore totally inappropriate to assess the value of a Welsh broadcasting service by comparing its level of usage with the levels of use of English broadcasting services.

It is fair and appropriate for Welsh speakers to continue to enjoy a radio, television and on-line broadcasting service of the same standard as the English medium users, and those of other UK languages, despite the comparatively small size of the Welsh speaking audience.

How should we pay for the BBC and how should the licence fee be modernised?

The implications of modernising the Licence Fee to co-operation between the BBC and S4C

As well as funding the BBC’s Welsh-medium content on radio and on-line, since April 2013 the Licence Fee is used to pay for approximately 90% of S4C’s budget. The BBC also contributes around ten hours of television programmes per week for S4C; the BBC spent £19.4 million on the production costs of this output during 2013/2014. There is also close co-operation between the two organizations on joint-production of
the second series of the drama *Y Gwyll*, and joint-location of aspects of S4C's technical and administrative work at the BBC's new site in Cardiff city centre.

Changes to the BBC's funding system could have a substantial effect on the contribution made by the Trust towards the Welsh medium content of S4C, as well as S4C provision funded via the Licence Fee. In considering the BBC's funding arrangements for the future, specific consideration needs to be given to how this could affect the provision of the scant Welsh language broadcast services that are available.

Should the funding level of some services or programmes be ringfenced? Should funding be available for other providers providing public service content?

Reference is made in the consultation document to the fact that the Licence Fee is used towards a number of supplementary projects and services as well as the BBC's core service. It is noted that the Government expects the BBC to protect some of these projects by maintaining their budgets at the specific level ('ringfenced amount'). S4C is mentioned as a projected service.

In October 2010, following the Comprehensive Spending Review, the Secretary of State wrote to S4C confirming a cut of 24.4% to S4C funding over the 4 years from the spending review period. Since then, S4C has seen continuous cuts to its Public Service Fund income:

- 2010: £101.647million
- 2011: £90.000million
- 2012: £83.000million
- 2013/2014: £100.609million (over 15 months)
- 2015: £82.787million (between the Licence Fee contribution and income from DCMS)

Also, the total contribution from the Licence Fee to the S4C budget (which comes since April 2013 via the BBC Trust) has also fallen every year, and a further reduction is foreseen by 2017:

- 2014-15 £76m
- 2015-16 £75.25m
- 2016-17 £74.5m

S4C has estimated that the channel's budget has received a cut that is equivalent to 36% in real terms over the last four years. Although it is noted in the consultation document that S4C's funding has been ringfenced by the Government there has been a very substantial reduction in the channel's budget since 2010.

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It was stated in a recent briefing note by the House of Lords Library ‘...The BBC’s grant to S4C may be reduced by an equivalent percentage reduction in funding to the percentage reduction made to BBC funding over the period 2018/19–2020/2. It will be up to the Government to decide how to make up the shortfall.’\(^{12}\)

As the only Welsh-medium Public television broadcaster in Britain and the only Welsh language television channel in the world, it is vital that S4C continues to serve the Welsh-speaking audience with financial assurance and adequate resources to achieve its purpose.

In this context, and considering the very high proportion of the S4C budget spent on its output, we believe that any suggestion of further cuts or efficiency savings to S4C could raise concerns for the future of the channel and its ability to continue to support and promote the Welsh language.

It is also noted that the UK Government’s Secretary of State for Culture, the Media and Sport has a statutory duty to ensure adequate funding for S4C.

**Conclusion**

Considering my comments above, I ask you to pay due and specific regard as part of this investigation to the implications of renewing the BBC Charter to the future of Welsh-medium broadcasting.

Yours truly,

Meri Huws
Welsh Language Commissioner

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\(^{12}\) House of Lords Library Note: ‘BBC: Future Financing and Independence’ LLN 2015/026, 3 September 2015