Opinion paper

The Situation of S4C

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The principal aim of the Welsh Language Commissioner, an independent body established by the Welsh Language (Wales) Measure 2011, is to promote and facilitate use of the Welsh language. This will entail raising awareness of the official status of the Welsh language in Wales and by imposing standards on organisations. This, in turn, will lead to the establishment of rights for Welsh speakers.

Two principles will underpin the Commissioner’s work:

- In Wales, the Welsh language should be treated no less favourably than the English language
- Persons in Wales should be able to live their lives through the medium of the Welsh language if they chose to do so
The situation of S4C: summary

Broadcasting plays a crucial role in promoting regional and minority languages. Therefore, it is essential that the Welsh language continues to feature and flourish on platforms such as S4C.

The wide range of quality Welsh medium content provided by S4C is essential in order to create new Welsh speakers and support the use of Welsh.

S4C gives the Welsh language an important economic foothold by placing value on Welsh language skills in the workplace and offering work opportunities through the medium of Welsh; helping independent companies grow; and supporting supply chains across Wales.

Consideration should be given to revising S4C’s current terms of reference in order to communicate clearly its role in terms of creating Welsh speakers and increasing the use of Welsh.

Over the years S4C has developed partnerships and projects with a wide range of bodies that make a direct or indirect contribution towards creating new Welsh speakers and promoting the use of Welsh.

Moving forward, it is essential that the channel deepens the existing relations and develops new ones. Strong partnerships benefit the channel but also other organisations, and reinforce the wider efforts to support the Welsh language.
S4C delivers content to different audiences and on various platforms. The use of that content has varied over the years. The growth in online use is an important example of positive and purposeful action by S4C to innovate, facilitate access to Welsh medium output, and attract new users.

Even so, the broadcasting landscape is constantly changing. In order to satisfy users, every broadcaster is under pressure to offer a quality modern service tailored to specific audiences, reaching users on new and unexpected platforms and experimenting with new approaches to attracting users.

It is essential to overcome obstacles preventing S4C from responding to these challenges. The Commissioner supports any revision of S4C’s terms of reference which is likely to allow the channel to expand Welsh medium provision across various digital platforms and reach audiences across the United Kingdom and beyond.

The cuts experienced by S4C to date, as well as instability and uncertainty regarding its funding arrangements, are having an adverse impact on the quality and diversity of the channel’s content. As the only Welsh language public service TV broadcaster in Britain and the only Welsh language TV channel in the world, S4C must be given financial assurance and sufficient resources to continue to serve Welsh speaking audiences.

S4C’s budget should be based on the actual cost of provision, with consideration to S4C’s central role in ensuring the visibility and prosperity of the Welsh language. The process of defining funding levels should be open and transparent, and based on explicit principles.
1. Introduction

The current paper derives from discussions which began during the review of the BBC’s Royal Charter by the UK Government's Department for Digital, Culture, Media and Sport (DfDCMS) in 2015 and 2016. During the process Welsh language media and S4C in particular came under the spotlight. On 3 February 2016, DfDCMS announced the plans to carry out a review of the channel in 2017. The review was launched on 7 August 2017 with Euryn Ogwen Williams appointed as chair.

Since the BBC’s Royal Charter review began, and then following that process, the Welsh Language Commissioner has been involved in discussions, emphasising, amongst other matters, S4C’s role in relation to the Welsh language. The purpose of the current paper is to summarise evidence presented by the Commissioner in different inquiries to date, highlighting some arguments central to the current review of the channel. All of the Commissioner's responses to public inquiries on the subject can be found on the Commissioner's website here.
2. S4C's contribution towards creating Welsh speakers and increasing the use of Welsh

As is the case for other languages, e.g. Māori, S4C plays a key role in creating new speakers and normalising the use of Welsh on a daily basis. Broadcasting plays a crucial role in promoting regional and minority languages across the world and in Wales specifically. In an European context, the importance of broadcasting in protecting and promoting the use of minority languages is recognised in Article 11 of the European Charter for Regional or Minority Languages. It is also reflected in 'The Oslo Recommendations regarding the Linguistic Rights of National Minorities' which make four specific recommendations in relation to the media and broadcasting in minority languages. These recommendations highlight the importance of ensuring that minority language speakers have access to broadcast services which meet their linguistic needs, and how crucial that is to the prosperity of minority languages.

In Britain, one of the purposes of public service broadcasting is to meet the needs and interests of audiences. According to Ofcom guidance, public service broadcasters are expected to reflect the UK's cultural identity: ‘...To reflect and strengthen our cultural identity through original programming at UK, national and regional level’. In accordance with that, it may be surmised that one of the purposes of public service broadcasting in Wales is to meet the needs and interests of a significant proportion of the audience who speak Welsh.

Broadcasting plays a crucial role in promoting regional and minority languages. Therefore, it is essential that the Welsh language continues to feature and flourish on platforms such as S4C.

2.1. S4C's contribution through delivering quality content

As the only Welsh language public service TV broadcaster in Britain and the only Welsh language TV channel in the world, S4C is a central destination for Welsh speakers on TV and online. In 2016/17 96 per cent of viewers said that S4C was an important channel for the Welsh language, and 92 per cent said that the channel contributed to Welsh language culture. These findings have remained stable over the years.

Although S4C's provision is important in its entirety, one can highlight the service it provides to children and young people and learners as the provision which plays an especially crucial role in creating new speakers and promoting the use of Welsh.
S4C's Image Tracking Service found that S4C is regarded more highly than other channels in Wales in terms of its commitment to children's programming. For example, ‘Cyw’ has gone from strength to strength in recent years, growing a sizeable audience - from 185,000 monthly viewers in 2012/13 to 448,000 in 2016/17 (increase by 142 per cent). Alongside this successful programme, initiatives such as @TiFiaCyw have been developed to offer language learning support to parents and guardians who don't speak Welsh and who watch ‘Cyw’ with their children. S4C also delivers content for young people. For example, series Stwnsh attracted 132,000 monthly viewers in 2016/17. In June 2017 a new digital platform Hansh was launched targeting young people. The content of the platform content has been viewed over a million times since the launch.

S4C's provision also targets learners. There is a designated area for Welsh learners on s4c.co.uk/dysgwyr. The most recent development in this section is 'Dal Ati', a collection of information, vocabulary, language exercises and video clips for intermediate to advanced learners. There is also an app supporting the service to provide additional learning support. S4C's service for learners is consistently appreciated by users. In 2016/17, 85 per cent of respondents judged that S4C provides good support to Welsh learners, and that percentage has remained stable over the recent years.

The wide range of quality Welsh medium content provided by S4C is essential in order to create new Welsh speakers and support the use of Welsh.

### 2.2. Giving the Welsh language an economic foothold

It is generally argued that there is a link between the economy and the prosperity of the Welsh language. On the one hand some note the need to promote the Welsh language as a valuable skill and asset in the workplace. On the other hand, some argue that a weak economy, lack of employment opportunities and shortage of affordable homes results in Welsh speakers – especially young people – leaving rural areas and moving to cities in Wales and beyond.

We know that S4C makes an important contribution to the Welsh economy. According to data from 2014/15, S4C invested £83 million in the Welsh and UK economy, and every £1 of that investment almost doubles in terms of its economic value. In 2016/17 S4C's 'economic impact' on the UK economy was equivalent to £170 million.

The channel has a direct economic impact, as an employer placing value on Welsh language skills in the workplace and offering work opportunities through the medium of Welsh. The creative industries sector is an area of employment with a clear demand for Welsh speakers, especially in radio, interactive media, advertising, film and animation. At a time when we increasingly hear of the challenge of keeping
young talent in Wales, and the need to stop our bright graduates from leaving, S4C has a role to play as a destination for our skilled bilingual workforce.

The channel also has an indirect impact on the economy via independent companies and local supply chains. The channel commissions the majority of its content from independent production companies. S4C worked with over 65 independent companies in 2014/15 and over 88 companies in 2015/16. S4C’s investment also benefits the local economy. Arad Research found that the filming of the first series of Y Gwyll/Hinterland in Ceredigion contributed £1 million to the local economy. More generally, according to data from 2014/15, 42 per cent of S4C’s investment was distributed in North and West Wales, which are economically disadvantaged areas. These are also the areas where the use of Welsh is traditionally at its strongest.

S4C gives the Welsh language an important economic foothold by placing value on Welsh language skills in the workplace and offering work opportunities through the medium of Welsh; helping independent companies grow; and supporting supply chains across Wales.

2.3. The channel's terms of reference

The Welsh language is at the very core of S4C’s work. As noted by S4C itself: ‘The Welsh language is central to S4C’s remit and existence... S4C is an essential part of the effort to create an environment where the language is thriving, active and alive, an environment where people have the choice of enjoying and discussing entertainment, news, sport and the arts through the medium of Welsh – at work and at home’. However, S4C’s current statutory terms of reference, as set out in the Communications Act 2003, do not express clearly the channel’s role in sustaining, supporting and promoting the Welsh language. The review of the channel provides a valuable opportunity to detail and build on the current terms of reference, underlining S4C’s central contribution to the prosperity of the Welsh language - and the language’s central status in the services provided by S4C.

Consideration should be given to revising S4C’s current terms of reference in order to communicate clearly its role in terms of creating Welsh speakers and increasing the use of Welsh.
In contributing towards creating new Welsh speakers and promoting the use of the Welsh language, S4C does not operate in a void. It is essential that S4C works with others for the benefit of the channel and the wider efforts to support the language.

As well as S4C’s relationship with the independent production sector, there are positive examples of the channel developing partnerships with other organisations in order to create quality and relevant Welsh medium content for all age groups. In 2013/14 S4C reported on off-screen initiatives in partnership with the Welsh Books Council, Urdd Gobaith Cymru and the Welsh Government to improve content for older children. In 2013 it launched a partnership with Theatr Genedlaethol Cymru to adapt some of their dramas for the small screen and it worked with Urdd Gobaith Cymru on developing a new app especially for Eisteddfod yr Urdd 2013. In 2015, a partnership was announced between the channel, Welsh National Opera and Rondo Media to air the Gair ar Gnawd opera on S4C, with the majority of the production in Welsh.

S4C has a close relationship with the BBC. Based on an Operating Agreement between the S4C Authority and the BBC Trust, BBC Cymru Wales produces around 10 hours a week of TV programming for S4C, including Newyddion 9, Pobol y Cwm and some sports shows. There was also close collaboration between both organisations in co-producing a second series of Y Gwyll/Hinterland, and co-locating aspects of S4C's technical and administrative work at the BBC's new location in the centre of Cardiff. Since 2014, S4C has been available as a full channel on the BBC iPlayer, which has led to a significant increase in the use of S4C's content on demand.

There are also examples highlighting S4C's commitment to working with education and training providers in order to develop workforce Welsh language skills and support educational activities. The channel was one of the sponsors of Creative Skillset Cymru's Skills for the Digital Economy programme, that is an initiative offering training in the creative sector in order to promote a competitive industry in Wales. According to a statement in May 2015, from 2011 to 2015 the programme invested over £2.35 million in training. In July 2017, tailored training was offered to four directors as part of the Labordy - ‘the cross-platform lab for emerging directors’. The programme marks a culmination of a partnership between S4C and the Arts Council of Wales established in 2013, and was also sponsored by Creative Skillset Cymru and the Film Agency for Wales.

In August 2016 the channel launched an archive partnership with the Coleg Cymraeg Cenedlaethol, with over 300 individual programmes made available to students and lecturers to date. In February 2017 a partnership was established with
the WJEC examination board, specifically the department responsible for developing the GCSE and A Level curriculum for Media Studies. S4C agreed that an episode of Rownd a Rownd (Rondo) and Pobol Port Talbot (Telesgop) are included as set products for the exams. This is an important development as it is not compulsory for teachers to choose Welsh language content for optional subjects. Another example is the 'Dal Ati' service for new Welsh speakers developed together with the National Centre for Learning Welsh. The service's website directs learners to website 'Welsh language' created by the Welsh Government to support and promote the use of Welsh.  

In 2016/17 alone, S4C reported on partnerships with the National Eisteddfod, Eisteddfod yr Urdd and Llangollen International Eisteddfod; the Royal Welsh Agricultural Society; the National Centre for Learning Welsh; Mudiad Meithrin; Urdd Gobaith Cymru; the Welsh Books Council; the Arts Council of Wales; the Millennium Centre; Theatr Genedlaethol Cymru; Coleg Cymraeg Cenedlaethol; BAFTA Cymru; It's My Shout; Literature Wales; and Ffilm Cymru Wales. It is essential that these partnerships continue and are developed further.

Even so, there is potential to expand the existing partnerships moving forward. One way of doing so would be to cooperate with other organizations in the third sector and private sector which are supportive to the Welsh language. Due to the Commissioner's duty to support and promote the Welsh language, the office is aware of the use of Welsh by such organizations. Among others, the Commissioner's Promotion and Facilitation Team worked extensively with sports bodies and arts organizations and clubs. For example, it worked with Sports Wales, which has recently launched a comprehensive campaign to promote the Welsh language within sports through the event ‘Shwmae’, and initiatives such as Atebion Clwb which assist social sports clubs. The team also developed a partnership with the Arts Council of Wales which resulted in a series of successful training sessions for dance and drama clubs, with a number of them very keen to promote the Welsh language. Rubicon and Asking4it are two companies which have prepared a Welsh language promotion scheme following the training and others are working independently. These experiences show that there is still potential for S4C to develop further partnerships on the ground. Closer links between S4C and these organisations and similar ones would reinforce their efforts to promote the Welsh language and would benefit the channel's work.

Over the years S4C has developed partnerships and projects with a wide range of bodies that make a direct or indirect contribution towards creating new Welsh speakers and promoting the use of Welsh. Moving forward, it is essential that the channel deepens the existing relations and develops new ones. Strong partnerships benefit the channel but also other organisations, and reinforce wider efforts to support the Welsh language.
4. Use of S4C

S4C's viewing figures have changed substantially in recent years, but the situation varies according to the audience and ways of accessing the content.

Since 2012/13, there has been a drop in traditional viewing figures (live and on TV) in Wales, and viewing amongst Welsh speakers particularly, although a small increase was reported in the latter case in 2016/17. Then again, since 2012/13, S4C has been attracting rising numbers from outside Wales, but there was a drop in these numbers in 2016/17.

In recent years, there has been a significant increase in the use of S4C online, especially since 2014/15, that is since the channel has been available on iPlayer. From March 2014 to March 2015, the number of S4C viewing sessions on iPlayer increased from 11,000 to 474,000 (+4209 per cent). A drop was recorded in the use of iPlayer content in 2016/17. However, this drop is explained by S4C as being 'due in part to changes in the measurement methodology used by iPlayer during the year'. Data is also promising in terms of viewing sessions on social media. In 2016/17 S4C reported that there were 18 million viewing sessions on social media (including Facebook, Twitter and YouTube).

These changes and challenges reflect in part wider trends which transforming the broadcasting landscape. Although ‘traditional’ media remains strong, provision is becoming increasingly fragmented - which means that content is being provided in more diverse, unexpected and dynamic ways. All broadcasters must offer a quality, modern and relevant service in order to meet the needs of different users and across different platforms.

For broadcasters in minority languages, such as S4C, these changes are especially challenging. They must provide something for everyone while maintaining high standards, as well as also providing resources for children and learners. S4C currently has to serve a diverse audience on limited platforms. The challenges of attracting users are especially acute within a younger age group. The success of provision for children, such as Cyw, has already been noted above. However, as S4C itself recognises, the challenge of continuing to engage children increases with their age. For example, there has been a monthly fall in Stwnsh audience figures since 2013/14. According to WiseKids research (2014) young people are keen to see more educational resources and entertainment in Welsh. However, engaging a young audience is a challenge and requires continuous innovation and experimentation to meet needs.

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Even so, the broadcasting landscape is constantly changing. In order to satisfy users, every broadcaster is under pressure to offer a quality modern service tailored to specific audiences, reaching users on new and unexpected platforms and experimenting with new approaches to attracting users.

It is essential to overcome obstacles preventing S4C from responding to these challenges. The Commissioner supports any revision of S4C’s terms of reference which is likely to allow the channel to expand Welsh medium provision across various digital platforms and reach audiences across the United Kingdom and beyond.
5. Implications of S4C's financial position

It should be underlined that it is inappropriate to consider S4C's service based mainly or only on its 'value for money' or cost-effectiveness. The role of minority language media encompasses more than just commercial profit or providing entertainment. As argued above, S4C has a role to play in educating and supporting speakers to use Welsh and increasing its value and status; and reinforcing the economy and communities. However, funding is a factor which has an inevitable impact on the channel's ability to carry out this role.

Up until 2013, S4C received its entire grant from DfIDCMS. Since April 2013, 90 per cent of S4C's funding is paid from the Licence Fee via the BBC Trust, and just 8 per cent as grant from DfIDCMS. The remainder of the budget comes from the channel's commercial income. S4C’s budget is not adjusted in line with inflation.

Publicly available figures show that from 2010 to 2015 S4C experienced continuous cuts to its budget, from £101.647 million in 2010 down to £82.787 million in 2015. In 2015, S4C estimated that the channel's cuts were equivalent to 36 per cent in real terms since 2010. Since 2015 there have been continuous threats of further cuts to S4C's budget and as a result the channel's financial position has been vulnerable and unstable.

Section 31 of the Public Bodies Act 2011 places a statutory duty on the UK Government's Secretary of State for Culture, Media and Sport to ensure that S4C is provided with sufficient funding. In November 2016, the Commissioner contacted the Secretary of State seeking assurances that there would be no cuts to S4C's budget until the review was completed.

Publications by S4C, evidence by the representatives of the channel and further research give an indication of the effects of the cuts to date. Between 2011 and 2015 S4C made efficiencies equivalent to £12.5 million. The cost per hour of S4C's service fell 34% from 2009 to 2013/14. Around 80% of S4C's budget is now spent on content. In 2016/17 overheads corresponded to 4.5% of the budget, which is extremely low in the public sector.

S4C and others have argued that the funding cuts have had an impact on the provision of the channel. Amongst others:

- in 2010 a HD service 'HDTV Clirlun' was introduced, but it was abandoned by the end of 2012 in order to make savings. The service was reintroduced in 2016 but it will be at risk again if there are further cuts.
there has been a continuous reduction in the number of original programming broadcast. In 2016/17 63 per cent of the schedule consisted filled with repeats, a culmination of a continuing trend in recent years. It is clear from S4C announcements that the channel is very aware that 'during a period of financial constraint, co-operating and sharing resources with partners and other organisations continues to be important for the channel'. As noted above, partnerships between S4C and a wide range of bodies that make a direct or indirect contribution are essential in order to reinforce efforts to create new Welsh speakers and promote the use of Welsh. The Commissioner welcomes any commitment by S4C to widen these activities. However, in light of the channel's vulnerable financial position, it must be noted that there is only so much that S4C can do to innovate, increase the use of its content and develop beneficial partnerships with other organisations for the benefit the Welsh language.

The cuts experienced by S4C to date, as well as instability and uncertainty regarding its funding arrangements, are having an adverse impact on the quality and diversity of the channel’s output. As the only Welsh language public service TV broadcaster in Britain and the only Welsh language TV channel in the world, S4C must be given financial assurance and sufficient resources to continue to serve Welsh speaking audiences.

S4C’s budget should be based on the actual cost of provision, with consideration to S4C’s central role in ensuring the visibility and prosperity of the Welsh language. The process of defining funding levels should be open and transparent, and based on explicit principles.
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