



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor Darlledu
The Broadcasting Committee**

**Dydd Llun, 21 Ebrill 2008
Monday, 21 April 2008**

Cynnwys
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.
These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Peter Black	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Alun Davies	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Paul Davies	Ceidwadwyr Cymreig Welsh Conservatives
Nerys Evans	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Ron Jones	Cadeirydd Gweithredol, Tinopolis Executive Chairman, Tinopolis
Gwion Owain	Prif Weithredwr, TAC Chief Executive, TAC
John McVay	Prif Weithredwr, PACT Chief Executive, PACT
Dafydd Rhys	Cadeirydd, TAC Chair, TAC

Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol
Assembly Parliamentary Service officials in attendance

Sarah Bartlett	Dirprwy Glerc Deputy Clerk
Aled Eirug	Ymgynghorydd i'r pwyllgor Adviser to the committee
Gwyn Griffiths	Cynghorydd cyfreithiol i'r pwyllgor Legal adviser to the committee
Chris Reading	Clerc Clerk

Dechreuodd y cyfarfod am 1.33 p.m.
The meeting began at 1.33 p.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Alun Davies:** Galwaf y cyfarfod i **Alun Davies:** I call the committee to order.
drefn. Dyma ail gyfarfod y Pwyllgor This is the second meeting of the
Darlledu. Broadcasting Committee.

Tystiolaeth ar Gyfer Ymchwiliad y Pwyllgor
Evidence for Committee Inquiry

[2] **Alun Davies:** Yr ydym yn parhau **Alun Davies:** We are continuing with our
gyda'n hymchwiliad i ddarlledu yng inquiry into broadcasting in Wales. I
Nghymru. Croesawaf Ron Jones y prynhawn welcome Ron Jones this afternoon to give
yma i roi tystiolaeth. Diolch am y dystiolaeth evidence. Thank you for the written evidence
ysgrifenedig yr ydych wedi ei rhoi i ni; yr that you have provided; we have all had an

ydyd i gyd wedi cael cyfle i'w darllen. Hoffwn redeg drwy rai o'r materion sydd wedi codi o'ch tystiolaeth ysgrifenedig. Yn gyntaf, a wnewch chi ddweud ychydig o eiriau i gyflwyno eich hun?

[3] **Mr Jones:** Diolch am y gwahoddiad i ddod i siarad gyda chi heddiw. Yr wyf yn gadeirydd ar gwmi o'r enw Tinopolis, sydd wedi ei sefydlu yn Llanelli ers dros 15 mlynedd. Dechreuodd y cwmni drwy wneud rhaglenni yn Gymraeg yn bennaf i S4C, ond erbyn hyn mae wedi ymestyn ei orwelion rywfaint, ac mae'n gyfrifol am gwmiâu, yn Llundain yn bennaf, ym myd chwaraeon a newyddiaduraeth. Bydd rhaglenni fel *Question Time* a nifer o raglenni chwaraeon y BBC yn adnabyddus i chi i gyd. Mae'r cwmni wedi gwneud llawer mwy na hynny yn y blynyddoedd diwethaf. Yr ydyd wedi estyn y cwmni i feysydd newydd, yn enwedig y cyfryngau newydd. Yr wyf yn siŵr y byddwn yn trafod hynny heddiw.

[4] Nid oes gennyf lawer i'w ddweud fel cyflwyniad, ond hoffwn wneud un pwynt. Mae'r pwyllgor wedi gosod targedau uchelgeisiol iawn yn nhermau maes llafur. Yr wyf yn siŵr y byddwch yn clywed, yn nes ymlaen y prynhawn yma, esiamp l o'r tueddiad gyda phrosiectau fel hyn, lle mae pobl yn pledio'u hachos. Ym myd darlledu, yn fwy na'r rhan fwyaf o feysydd, mae nifer o sefydliadau, cwmniâu, a thechnolegau yn dadlau dros eu meysydd eu hunain. Gwahoddaf y pwyllgor i ymgymryd â rhywbeth hollbwysig, sef ceisio ymyrryd yn y broses a fydd yn dechrau'n fuan iawn—ceir penderfyniad dros y misoedd nesaf ynglŷn â'r cynnwys a gawn fel gwlad dros y genhedlaeth nesaf, efallai. Ni chredaf, ar hyn o bryd, y bydd digon o lais Cymru yn rhan o'r ddadl honno; nid oes digon o'r hyn sy'n dda i Gymru yn y broses sydd wedi cael ei chyhoeddi gan Ofcom, a fydd yn dechrau yn yr hydref.

[5] Yr wyf yn ofnus iawn—o ran y patrwm darlledu, technolegau newydd, anghenion newydd am gynnwys, a diffygion newydd yn y farchnad—y bydd yr opsiynau sydd gan Ofcom i'w cynnig ar ein cyfer ni fel cenedl eto yn Brydeinig eu naws, heb ddigon o ddylanwad ac, efallai, ymyrraeth gennym fel gwlad. Fel ein prif gorff democrataidd,

opportunity to read it. I would like to run through some of the issues that have been raised in your written evidence. First of all, would you please say a few words by way of introduction?

Mr Jones: Thank you for the invitation to come to speak to you today. I am the chairman of a company called Tinopolis, which was established in Llanelli over 15 years ago. The company started out making programmes mainly through the medium of Welsh for S4C, but it has now expanded its horizons somewhat, and is responsible for companies, primarily in London, in the worlds of sports and journalism. Programmes such as *Question Time* and a number of BBC sports programmes will be familiar to you all. The company has done far more than that over recent years. We have expanded the company into new areas, particularly into new media. I am sure that we will discuss that today.

I do not have much to say by way of an introduction, but I would like to make one point. The committee has set ambitious targets with regard to the remit. I am sure that you will hear later this afternoon an example of the tendency with projects such as this, where people plead their cases. In the world of broadcasting, more than most sectors, many organisations, companies, and technologies argue their own corners. I invite the committee to do something that is important, which is to intervene in the process that will start very soon—the content that we receive as a country over the next generation, perhaps, will be decided over the coming months. I do not believe, at present, that Wales has an adequate voice in that debate; there is not enough that is good for Wales in the process that has been published by Ofcom, which will start in the autumn.

I am fearful—with regard to the broadcasting pattern, new technologies, new requirements for content, and new deficiencies in the market—that the options that Ofcom has to offer for us as a nation will be British in focus, without adequate influence and, perhaps, intervention from us as a country. As our primary democratic institution, this is

dyma'r lle i godi'r dadleuon hyn. Dylem fynd i Ofcom, a Llundain, yn y pen draw, gyda rhestr o bethau sydd eu hangen, yn hytrach nag ymateb i'r hyn a gynigir i ni fel rhan o batrwm sydd, ar y cyfan, yn Brydeinig yn hytrach na rhywbeth sydd wedi ei gynllunio ar gyfer Cymru.

[6] **Alun Davies:** Diolch am hynny. Yr ydym yn gwerthfawrogi eich barn. Hoffwn ddechrau drwy drafod sut mae Tinopolis wedi tyfu. A oes modd i chi agor y drafodaeth drwy sôn wrthym am strategaeth Tinopolis ar gyfer tyfu fel cwmni; hynny yw, sut y bu ichi ddatblygu o fod yn gwmni a oedd yn cyflenwi'r farchnad Gymraeg ei hiaith i fod yn gwmni mawr Prydeinig yn y sector?

[7] **Mr Jones:** Credaf ein bod wedi gwneud hynny drwy fod yn onest gyda'n hunain. Mae llawer o siarad am lwyddiant y sector cynhyrchu yng Nghymru. Yr wyf braidd yn sinigaidd am hyn. Os edrychwn ar ein patrwm diwydiannol yng Nghymru, ar yr ochr cynhyrchu teledu yn bennaf, yr hyn yr ydym yn ei wneud—weithiau yn llwyddiannus ac ambell waith ddim mor llwyddiannus—yw cynhyrchu rhaglenni ar gyfer Cymru, gyda'r rhan fwyaf ohonynt yn y Gymraeg; ychydig iawn sydd yn Saesneg. Rhywsut, yr ydym wedi llwyddo i ddisgrifio hynny fel llwyddiant ysgubol diwydiannol yn y sector. Daethom i'r casgliad, rhyw saith neu wyth mlynedd yn ôl, bod llwyddiant yn y maes yn golygu llwyddo yng Nghymru ond bod hefyd angen llwyddo y tu allan i Gymru.

1.40 p.m.

[8] Bu inni sylweddoli mai'r unig ffordd yr oeddem yn debygol o wneud hynny o fewn amserlen hanner call oedd drwy ddefnyddio'r pŵer ariannol, creadigol a rheoli a adeiladwyd gennym ar gefn gweithio yng Nghymru, a phrynu cwmnïau y tu allan i Gymru a oedd yn gallu ychwanegu at yr hyn a oedd gennym ar yr ochr greadigol, a hefyd o ran maint ac elw. Er ein bod yn ystyried ein hunain yn gwmni Cymreig a Chymraeg, mae'n glir nad ydym, fel diwydiant yng Nghymru, wedi llwyddo i ymestyn y tu hwnt i Gymru, a rhaid dod o hyd i ffordd arall o wneud hynny. Yn y pen draw, dyna'r rhesymeg y tu ôl i'r gwaith corfforaethol—yn

the place to raise this debate. We should go to Ofcom and, ultimately, London, with a list of what is needed, rather than respond to what is offered to us as part of a pattern that, on the whole, is British rather than designed for Wales.

Alun Davies: Thank you for that. We appreciate your opinion. I would like to start by discussing the way in which Tinopolis has grown. Could you open the discussion by talking about the growth strategy of Tinopolis; that is, how you developed from being a company that supplied the Welsh-language market to being a major British player in the sector?

Mr Jones: I believe that we have done that by being honest with ourselves. There has been a lot of talk of the success of the production sector in Wales. I am slightly cynical about this. If we look at the pattern of our industry in Wales, mainly on the television production side, what we do—sometimes successfully, and other times not so successfully—is produce programmes for Wales, most of which are in Welsh; very few are in English. Somehow, we have succeeded in describing that as a runaway success for the industry in this sector. We came to the conclusion, seven or eight years ago, that success in this field would mean succeeding in Wales but that we also needed to succeed outside Wales.

We realised that the only way that we were likely to do that within a reasonable timeframe was by using the financial, creative and managerial power, which we had developed on the back of working in Wales, to buy companies outside Wales that could add value to what we had on the creative side as well as in relation to our size and profits. Although we still see ourselves as a Welsh and Welsh-language company, it is clear that, as an industry in Wales, we have not succeeded in reaching out beyond Wales, and so we have to find another way of doing that. At the end of the day, that was the rationale behind the corporate work—rather than the

hytrach na'r gwaith creadigol—a wnaed gennym i dyfu i fod y cwmni yr ydym heddiw. O ran y diwydiant yr ydym yn rhan ohono, credaf o hyd ein bod yn gwmni bach, ac efallai yn rhy fach i lwyddo yn yr hirdymor. Mae'r diwydiant yn prysur droi'n un byd-eang yn llawn chwaraewyr mawr. Dyna un o'r pethau strategol y mae'n rhaid i ni, fel cwmni, ddelio ag ef dros y blynyddoedd nesaf.

[9] **Alun Davies:** Yn eich cyflwyniad y prynhawn yma, bu ichi sôn eich bod yn pryderu am ddyfodol darlledu yng Nghymru oherwydd y broses a fydd yn mynd rhagddo dros y misoedd nesaf. Pam ydych yn pryderu? Mae Ofcom wedi sefydlu proses agored iawn, fe fydd cyfraniad o Gymru, ac mae pobl sy'n penderfynu i'w cael yn Ofcom sy'n gyfarwydd iawn â'r sefyllfa o ran darlledu a chynhyrchu yng Nghymru. Felly, pam ydych yn pryderu?

[10] **Mr Jones:** Credaf fod hanes yn eu herbyn. O edrych ar y newidiadau a fu ym myd darlledu dros y chwarter canrif diwethaf, pryd yn y broses honno cafodd diogelu buddiannau Cymru ei drafod yn rhan o'r ddadl? O edrych ar yr hyn sydd i ddigwydd o hyn allan, gwelwn fod Ofcom wedi dweud, i bob pwrpas, fod S4C yn ddiogel a bod y system ariannu yn ei lle ar gyfer y blynyddoedd nesaf, ond dyna esiampl o feddylfryd sefydliadau—maent yn meddwl yn nhermau'r sefydliad yn hytrach na'r gwasanaeth.

[11] A yw'n wirioneddol bosibl i ni ystyried y gwasanaethau a fydd eu hangen ar y genhedlaeth nesaf os ydym yn dechrau drwy ddweud, 'Mae S4C yn gwneud yn dda, mae setliad ariannol gan y BBC, fel ag y mae, ar gyfer y saith blynedd nesaf, ac mae'r arian sydd ar gael ar gyfer y darlledwr gwasanaeth cyhoeddus newydd yn fach'? Mae'r arian hwnnw wedi ei ddisgrifio gan Ofcom fel yr arian a fydd ar ôl o'r newid o analog i ddigidol. Mae'r holl fframwaith yn dangos diffyg radicaliaeth o ran yr hyn y mae'r corff yn debygol o edrych arno.

[12] Nid wyf yn arbennig o feirniadol o Ofcom na'i swyddogion, ac yr wyf yn cytuno ein bod yn lwcus bod swyddogion ar lefel uchel iawn yn Ofcom ar hyn o bryd sy'n

creative work—which we undertook in order to grow to be the company that we are today. Given the industry that we are a part of, I still think that we are a small company, perhaps too small to succeed in the long term in an industry that is changing so quickly, and is becoming a global industry of big players. That is one of the strategic issues that we, as a company, will have to tackle over the next few years.

Alun Davies: In your presentation this afternoon, you mentioned that you were concerned about the future of broadcasting in Wales, given the process that will take place over the next few months. Why are you concerned? Ofcom has established a very open process, there will be a contribution from Wales, and there are decision makers in Ofcom who are very familiar with the broadcasting and production situation in Wales. So, why are you concerned?

Mr Jones: I believe that history goes against them. Looking at the changes that have taken place in the world of broadcasting over the past quarter of a century, when during that whole process was protecting Wales's interests raised as part of the debate? Looking at the changes to happen from here on in, we see that Ofcom has said, to all intents and purposes, that S4C is safe and that the funding mechanism is in place for the next few years, but that is an example of the mindset of institutions—they think in terms of the institution rather than the service.

Is it genuinely possible for us to look at the services that will be needed by the next generation if we are to start by saying, 'S4C is doing well, the BBC, as it stands, has a financial settlement for the next seven years, and the money that is available for the new public service broadcaster is a small amount'? That money has been described by Ofcom as the money that will be left over after the switch from analogue to digital. The whole framework shows a lack of radicalism about what the organisation is likely to look at.

I am not especially critical of Ofcom or its officials, and I agree that we are fortunate that there are currently very high ranking officials at Ofcom who know a bit about

gwybod rhywfaint am Gymru. Fodd bynnag, nid eu rôl nhw yw dweud beth fydd ei angen ar Gymru yn y dyfodol; ein rôl ni yw honno, ac nid wyf yn credu y byddem, fel cenedl, yn cyrraedd yr un casgliadau â'r rheiny sy'n debygol o gael eu cyrraedd os gadawn y peth yn nwylo Ofcom. Nid oes dim yn yr hyn y mae Ofcom yn ei ddweud ar hyn o bryd sy'n peri i mi feddwl ei fod yn edrych ar y sbectwm o wasanaethau y bydd eu hangen ar Gymru yn y dyfodol ac y gallwn heddiw fod yn siŵr na fydd y sector preifat yn ei ariannu yfory. Gwyddom y bydd diffyg y farchnad yn rhan annatod o bopeth sy'n cael ei ddisgrifio fel 'cynnwys'—o ran y papurau newydd, y teledu, y radio neu'r cyfryngau newydd—i Gymru ar gyfer y dyfodol.

[13] **Nerys Evans:** Soniasoch am lais Cymru. A ydych yn credu y dylai darlledu, neu ran ohono, gael ei ddatganoli i'r Cynulliad? Hefyd, o ran rôl Ofcom, buom yn sôn am y personél, ond a oes digon o lais gan Gymru yn strwythur Ofcom fel ag y mae?

[14] **Mr Jones:** Mae'r ddau gwestiwn bron â bod yn mynd â ni i'r un cyfeiriad. Ni allaf weld sut, ar lefel resymegol na deallusol, y gall y cyfrifoldeb dros ddarlledu aros yn Llundain yn y pen draw heb iddo gael ei drosglwyddo i Gymru. Credaf y bydd yr egwyddorion sydd y tu ôl i ddatganoli yn ein gyrru i'r cyfeiriad hwnnw rywbyrd yn y dyfodol.

[15] Wrth inni gael yr holl drafodaethau hyn, a'r sefydliadau Prydeinig yn gefndir iddynt, mae'r un peth bron â bod yn ymladd yn erbyn y llall. Nid yw ein Haelodau Seneddol yn rhy awyddus ar hyn o bryd i ryddhau hwn fel maes llafur i'r Cynulliad, ond brwydro yn erbyn y don y maent. Gyda phopeth arall sy'n digwydd, fel y broses datganoli, ni allaf gredu na ddaw llawer mwy o gyfrifoldeb i'r Cynulliad yn y pen draw na'r hyn sydd ganddo ar hyn o bryd.

[16] A fydd hynny'n anghyffyrddus? Wrth gwrs. Bydd yn anghyffyrddus i'r Senedd, i'r BBC a hyd yn oed i S4C, ond, yn y pen draw, beth yw diben gwasanaeth cyhoeddus ym myd darlledu? Mae i ateb gofynion cynulleidfaoedd arbennig. Yr ydym erbyn hyn yn gynulleidfa arbennig yng

Wales. However, it is not their role to tell us what Wales will need for the future; that is our role, and I do not think that we, as a nation, would come to the same conclusions as those that are likely to be reached if we leave the issue in the hands of Ofcom. Nothing that Ofcom has been saying has made me think that it is looking at the spectrum of services that Wales will need in the future or that we can be certain today that that spectrum will not be funded by the private sector tomorrow. We know that the market deficit will be an integral part of everything that is described as 'content'—whether in newspapers, on the television, on the radio or new media—for Wales in the future.

Nerys Evans: You mentioned Wales's voice. Do you believe that broadcasting, or parts of it, should be devolved to the Assembly? In addition, on Ofcom's role, we mentioned its personnel, but does Wales have enough of a voice in Ofcom's structure as it currently stands?

Mr Jones: Those two questions take us in almost the same direction. I cannot see how, on a logical or intellectual level, the responsibility for broadcasting can remain with London at the end of the day without being transferred to Wales. I believe that the principles behind devolution will drive us in that direction at some point in the future.

While we are having all these discussions, with the British institutions as a backdrop, it is almost as though the two things are fighting against each other. Our Members of Parliament are not overly enthusiastic about relinquishing responsibility for this to the Assembly, but they are going against the tide. With everything else that is happening, such as the devolution process, I cannot believe that the Assembly will not eventually get a lot more power than it already has.

Will that be uncomfortable? Of course it will be. It will be uncomfortable for Parliament, for the BBC and even for S4C, but, ultimately, what is the point of public service broadcasting? It is about meeting the needs of specific audiences. We are now a specific audience in Wales—we are a distinct nation.

Nghymru—yr ydym yn genedl arbennig. A minnau'n un sydd wedi elwa o gynhyrchu rhaglenni i S4C, ni allaf gredu bod unrhyw un yn edrych tua'r dyfodol heb sylwi y bydd pethau'n newid, yn enwedig o ystyried sefyllfa y blynyddoedd diwethaf, pan gafodd gwasanaethau yn y Gymraeg eu hariannu'n fwy hael na gwasanaethau yn y Saesneg. Bydd y broses hon yn newid, ac nid oes dwywaith am hynny.

[17] **Paul Davies:** Byddaf yn canolbwyntio ar adroddiad Ofcom. Beth yw'ch ymateb i'r adroddiad hwnnw, ac yn enwedig i'r pedwar model darlledu gwasanaeth cyhoeddus y mae'n eu cyflwyno?

[18] **Mr Jones:** Credaf fod yr opsiynau y mae'n eu cynnig yn fwy tebygol o weithio ar lefel Brydeinig gan nad ydynt yn delio â'r brif broblem sydd gennym—yn yr Alban ac yng Nghymru—o sut i ddefnyddio'r arian prin y mae'n dweud sydd ar gael ar gyfer y gwasanaethau newydd hyn mewn ffordd a fyddai'n helpu Cymru. Pa ganran o'r arian hwnnw ddaw i Gymru, a beth fydd effaith y £6 miliwn, y £10 miliwn neu ba uchafswm bynnag ar dirwedd y gwasanaethau newydd yng Nghymru? Y realiti yw nad yw'n ddigon. Dim ond os ydych chi a ni yn cael ein dwylo ar y prif arian sydd ar gael o ran gwasanaethau cyhoeddus y bydd yn bosibl canfod ateb sy'n siwtio Cymru.

[19] **Paul Davies:** Felly, nid ydych yn credu y bydd yr un o'r modelau'n diwallu anghenion Cymru yn y dyfodol.

[20] **Mr Jones:** Nac ydwyf.

[21] **Paul Davies:** A oes model yr hoffech chi ei gyflwyno a fyddai'n siwtio Cymru?

[22] **Mr Jones:** Yr her yw hyn: yn hytrach nag edrych ar y system ariannu bresennol y mae Ofcom am wneud rhywfaint o newidiadau iddi, dylem allu weld y dyfodol yn nhermau darlledu a defnydd o'r we, a bod yn sicr ein bod yn iawn o ran sut y bydd pethau'n edrych ymhen 10 i 15 mlynedd. Mae'r dechnoleg yn ein gyrru at yr ateb, fel y mae ein defnydd o'n pobl. Dylai fod yn bosibl inni edrych yn awr ar yr holl wasanaethau y bydd ein pobl am eu defnyddio yn ystod y cyfnod hwnnw a gofyn

As someone who has profited from producing programmes for S4C, I cannot believe that anyone is looking to the future without realising that things are going to change, especially given that Welsh-medium services have been funded more generously than English-medium services over the past few years. This process will change, and there is no two ways about it.

Paul Davies: I will focus on the Ofcom report. What is your response to that report, and in particular to the four models of public service broadcasting that Ofcom presents in its report?

Mr Jones: I think that the options that it proposes are more likely to work on a British level, as they do not deal with the main problem that we have—in Scotland and in Wales—of how to use the scarce resources that it says are available for these new services in a way that would help Wales. What proportion of the funding will come to Wales, and what will be the effect of the £6 million, £10 million, or whatever the maximum is on the landscape of new services in Wales? The reality is that it is not enough. We will only find a solution that suits us in Wales if you and we get our hands on the bulk of the funding available for public services.

Paul Davies: So, you do not think that any of these models will meet Wales's needs in the future.

Mr Jones: No.

Paul Davies: Is there a model that you would like to suggest that would suit Wales?

Mr Jones: This is the challenge: rather than looking at the current funding system to which Ofcom wishes to make some adjustments, we ought to be able to see the future of broadcasting and web use, and be certain that we are on the right track about how things will look in 10 to 15 years' time. The technology is driving us towards the solution, as is how we deploy our people. It should now be possible for us to look through all the services that our people will want to use during that period and ask a number of

nifer o gwestiynau. Faint o'r rhain sydd ar gael ar hyn o bryd? Beth yw'r bylchau na chaiff eu hariannu gan y sector preifat? Pa mor bwysig yw'r rhai sydd ar ôl i ni fel cenedl? A ydym yn fodlon eu hariannu er mwyn sicrhau bod y gwasanaethau ar ein cyfer cystal ag sydd ei angen?

1.50 p.m.

[23] Mae gennym bwl mawr o arian sector cyhoeddus sy'n dod drwy'r BBC ac S4C, ac ati, ac mae'r Cynulliad yn buddsoddi arian mewn pethau fel addysg a hyfforddi ar y we, a dylai fod yn bosibl i ni greu patrwm yn ddeallusol sy'n dangos y ffordd dros bum neu saith mlynedd, neu beth bynnag, fel y gallwn newid ein patrwm ariannu, patrwm y sefydliad, ein patrwm rheoli, a phatrwm ein cysylltiad â'r sector democrataidd, sef Senedd Llundain neu'r Cynulliad yng Nghaerdydd a pharatoi ar gyfer yr hyn fydd ei angen. Mae gennyf farn am yr hyn ddylai fod yn llawer o'r cynnwys hwnnw, ond yr hyn sy'n bwysig ar hyn o bryd yw nad oes neb yn cymryd y cyfrifoldeb dros ddiffinio'r cynnwys hwnnw, nac yn edrych ar y materion o ran sut i'w ariannu, a pha un a ydym yn fodlon ei ariannu.

[24] **Paul Davies:** Felly, a ddylid cynnal adolygiad eang, ac, os felly, pwy ddylai fod yn gyfrifol am hynny?

[25] **Mr Jones:** Dyna pam yr wyf o'r farn fod y pwyllgor hwn mewn sefyllfa mor bwerus. Os yw pobl yn dewis cynnal adolygiad o'r cosmos, anodd iawn fydd canfod atebion dealladwy a derbyniol, ond yr wyf yn gwahodd y pwyllgor i ganolbwyntio ar y prif beth, sef y cynnwys, gan ei fod yn rhywbeth a allai fod yn wasanaeth arbennig o bwysig gyda goblygiadau hirdymor pwysig i'r Cynulliad, yn ogystal ag i ni fel Cymry.

[26] **Alun Davies:** Diolch yn fawr am hynny. Yr wythnos diwethaf, pan oedd Ian Hargreaves o Ofcom gerbron y pwyllgor, yr oedd yn dadlau yn gryf mai unwaith y mae'r newid i ddigidol yn digwydd, ni fydd modd gorfodi ITV i greu cynnwys o Gymru neu o'r rhanbarthau ac eithrio'r newyddion, a byddwch yn ymwybodol o'r hyn y mae Ofcom wedi'i gynniig i ITV fel strwythur heb gynnwys newyddion ar gyfer y dyfodol. A

questions. How many of these are currently available? What are the gaps that will not be funded by the private sector? How important to us as a nation are the ones remaining? Are we willing to fund them to ensure that the services for us are as good as we need them to be?

We have a big pool of public sector money that comes through the BBC and S4C, and so on, and the Assembly invests funding in such things as education and training on the web, and it should be possible for us to create intelligently a pattern for the way forward over the next five or seven years, or whatever, so that we can change our funding pattern, our organisational pattern, our management pattern, and our pattern of links with the democratic sector, namely the Parliament in London or the Assembly in Cardiff and prepare for what will be required. I have an opinion on what should be included in much of that content, but what is important at the moment is that no-one is taking the responsibility for defining that content is, or looking at the issues of how to fund it, or even whether we are willing to fund it.

Paul Davies: Therefore, should a wide-ranging review be undertaken, and, if so, who should be responsible for that?

Mr Jones: That is why I think this committee is in such a powerful position. If people choose to review the cosmos, it would be difficult to find coherent and acceptable solutions, but I invite this committee to focus on the main issue, namely the content, as something that could be a vital service with important long-term implications for the Assembly, as well as to us, as the people of Wales.

Alun Davies: Thank you very much for that. Last week, when Ian Hargreaves from Ofcom was before the committee, he argued strongly that, once the digital switchover has occurred, it will not be possible for Ofcom to compel ITV to create content from Wales or from the regions with the exception of news coverage, and you will be aware of what Ofcom has propose to ITV for non-news content structure for the future. Do you agree with

ydych yn cytuno gyda dadansoddiad Ofcom? Ofcom's analysis?

[27] **Mr Jones:** Yr wyf yn cytuno 100 y cant. Ni allaf weld sut y gallwn orfodi cwmni fel ITV yn ei gyflwr ariannol presennol i ddarparu gwasanaethau o'r fath. Os edrychwn ar ITV yn gyffredinol, gwelwn ei fod yn gwmni sy'n dirywio. Nid yw hynny'n ymwneud â rheoli call na rheoli gwael; mae'r cwmni yn araf yn mynd yn gwmni llai o ran arian a phŵer. Yr ydym yn sicr o golli llais annibynnol ITV Cymru mewn sefyllfa o'r fath, ac ni allaf weld unrhyw ffordd o achub gwasanaethau rhanbarthol oni bai bod rhywun arall yn fodlon eu hariannu, a dychwelwn wedyn at y sgwrs o ran pa wasanaethau sydd eu hangen.

Mr Jones: I agree 100 per cent. I cannot see how we can compel a company such as ITV, given its current financial position, to provide such services. If we look at ITV in general, we see that it is a company in decline. That has nothing to do with sensible management or poor management; the company is slowly getting smaller in relation to wealth and power. We would certainly lose the independent voice of ITV Wales in such a situation, and I cannot see any way to save regional services unless someone else were willing to fund them, and we are then back to the issue of what services are needed.

[28] Mae colli llais annibynnol ITV Cymru yn benodol mewn meysydd fel newyddion a materion cyfoes yn broblem. Mae'n broblem ar hyn o bryd mai gwasanaeth newyddion BBC Cymru yn unig sydd gennym ar wasanaeth y BBC a hefyd ar S4C. Mae'r diffyg lleisiau a safbwyntiau amrywiol yn broblem. Nid oes gennym ddarpariaeth leol, ac yr wyf yn siŵr eich bod wedi trafod hynny o'r blaen. Mae'r rhain oll yn faterion pellgyrhaeddol o ran cadw gwybodaeth sy'n wirioneddol ddemocrataidd, o ran ei bod yn dod gan nifer o leisiau, a rhaid i ni edrych ar hynny.

The particular loss of ITV Wales's independent voice in such areas as news casting and current affairs is a problem, and it is currently a problem that we have only BBC Wales news services on the BBC service and also S4C. The lack of diversity in voices and perspectives is a problem. We do not have local provision, and I am sure that you have discussed that before. These are all issues with far-reaching consequences in terms of retaining information that is genuinely democratic, in that it is provided by a range of voices, and so that is something that we should address.

[29] **Alun Davies:** Sut, felly, y byddech yn dadlau y gallem gryfhau darlledu Saesneg yng Nghymru? Ar hyn o bryd mae S4C yn derbyn £110 neu £120 miliwn y flwyddyn a dim ond £30 miliwn sydd ar ôl i'w wario ar ddarlledu Saesneg yng Nghymru ar gyfer yr 80 y cant o Gymry nad ydynt yn siarad Cymraeg. Sut fydddech chi'n gwella'r sefyllfa ar gyfer darlledu cyfrwng Saesneg?

Alun Davies: So, how do you suggest we strengthen English-language broadcasting in Wales? At the moment S4C receives £110 million or £120 million a year and there is only £30 million left to be spent on English broadcasting in Wales for the 80 per cent of the Welsh population who do not speak Welsh. How would you improve that situation for English-language broadcasting?

[30] **Mr Jones:** Y man cychwyn yw nid sôn am sut i newid y sefyllfa darlledu Saesneg o gymharu â S4C, ond edrych ar yr anghenion. Os edrychwn ar beth, bellach, sy'n denu pobl i ddefnyddio'r we, perthnasedd sydd yn gyrru'r peth. Yn nhermau safon, y realiti yw na fyddwn byth yn gallu ariannu rhai o'r rhaglenni adloniant, comedi, drama a chwaraeon rhyngwladol a fydd yn perswadio ein pobl ni i wyllo ein sianel lleol—beth bynnag yw'r sianel hwnnw, boed yn BBC Cymru, ITV Cymru

Mr Jones: The starting point is not talking about how to change the English-language situation compared with S4C, but to look at need. If we look at what attracts people to using the internet, relevancy is what drives it. In terms of standards, the reality is that we will never be able to fund some of the entertainment, comedy, drama and international sporting programmes that would persuade people to turn over to our local channel—whatever that channel is, whether BBC Wales, ITV Wales or S4C. However,

neu'n S4C. Fodd bynnag, mae'r gwasanaethau hynny sydd eu hangen arnom yn y ddwy iaith yn bosibl i'w diffinio'n gryno—a chyfeiriais atynt yn fy nodyn—sef newyddion, materion cyfoes, digwyddiadau a rhai pethau celfyddydol. Dylem edrych ar yr arian sydd gennym fel cenedl ac ystyried pa elfen dylai cael ei ariannu gan y pwr cyhoeddus. Efallai y byddai hwnnw'n torri yn ôl ar beth o ddarpariaeth S4C, ond yn y pendraw ni allwn ddod at ddadleuon o'r fath gan ddweud, 'Mae'r sefydliadau'n ddiogel; ni fyddwn yn eu newid.' Mae'n rhaid i ni edrych ar y gwasanaeth yn gyntaf a bod yn ddigon onest i ddweud, 'Dyna faint o arian sydd gennym a dyna'r gwasanaeth sy'n angenrheidiol. Hwnnw sy'n gael blaenoriaeth ac y mae'n rhaid i'r gweddill wneud y gorau ohono.'

[31] **Alun Davies:** Mae'n ddrwg gennyf godi Ofcom eto, ond mae'n swnio i mi fel eich bod yn mynd yn ôl at y model y mae Ofcom wedi ei gynnig, sef y PSP. Mae Ofcom yn rhagweld corff cyhoeddus yn defnyddio'r arian cyhoeddus i ychwanegu at y math o raglenni buasai darlledwyr yn eu darlledu beth bynnag. Darllenais eich nodyn yn fanwl ar y pwynt hwn ac nid yw'r hyn yr ydych wedi ei ddweud a'r hyn yr ydych wedi ei ysgrifennu'n eistedd yn gyfforddus gyda'r hyn yr ydych wedi ei ddweud am ITV a dyfodol darlledu Saesneg.

[32] **Mr Jones:** Nid y sefydliad yw'r broblem o ran ITV Cymru, ond arian. Nid yw'n bosibl o dan y strwythur presennol i atal ITV Cymru rhag mynd yn llai a llai pwysig. Nid wyf yn dadlau fod hwnnw'n beth da, ond nid yw'r arian yn ei system ar hyn o bryd i wneud unrhyw beth arall. Pe byddai arian ychwanegol ar gael i helpu ITV Cymru, byddai gennym broblem arall, sef nid yw am wneud gwaith rhanbarthol. Mae gan hwnnw lai i wneud â'r gwir gost a mwy i wneud â'r ffaith y byddai unrhyw *opt-out* o'r math o sianel y bydd ITV o fewn pum mlynedd yn niweidiol oherwydd byddai'n colli slotiau a fyddai'n caniatáu iddo godi mwy o arian wrth hysbysebu'n genedlaethol na'r arian y byddai'n derbyn gennym am wasanaeth newyddion, materion cyfoes neu raglenni eraill o ddiddordeb.

[33] **Nerys Evans:** Yn eich nodyn, yr

the services that we need in both languages can be defined concisely—and I referred to them in my note—namely news, current affairs, events and some arts programmes. We should look at the money that we have as a nation and consider what aspect should be funded by the public purse. Perhaps that would cut back on some of S4C's provision, but ultimately we cannot approach such debates by saying, 'The organisations are safe and we will not change them.' We must first look at the service and be honest enough to say, 'This is how much money we have and that is the essential service. That will get priority and the others will just have to make the best of things.'

Alun Davies: I am sorry to raise Ofcom again, but it sounds to me as though you are going back to the model that Ofcom suggested, namely the PSP. Ofcom foresees a public body using public money to supplement the type of programmes that broadcasters would broadcast in any case. I read your note in detail on this point and what you have just said and what you have written down do not sit comfortably with what you say about ITV and the future of English-language broadcasting.

Mr Jones: Money, not the organisation, is the problem in terms of ITV Wales. It is not possible under the current structure to prevent ITV Wales becoming increasingly less important. I am not arguing that that is a good thing, but the money is not in its system at the moment to do anything else. If additional money were available to help ITV Wales, we would have another problem, namely that it does not want to produce regional programmes. That has less to do with the real cost and more to do with the fact that any opt-out from the type of channel that ITV will become in five years' time would be damaging, because it would lose slots that would allow it to raise more money through national advertising than the money it would get from us for news services, current affairs or other programmes of interest.

Nerys Evans: In your note, you mention

ydych yn sôn am sefydliadau sy'n darparu darlledu ac yn dweud nad yw rhai yn gymwys mwyach. A allwch ehangu ar hwnnw?

organisations that provide broadcasting and state that some are no longer competent. Could you expand on that?

2.00 p.m.

[34] **Mr Jones:** Yr wyf yn sôn am y BBC, S4C, Ofcom ac ITV. Y realiti yw ein bod wedi etifeddu'r sefydliadau hyn o amser a thirwedd wahanol. Mae'n annheg, bron, i feirniadu'r sefydliadau hyn am eu diffyg gallu i fod yr hyn nad oeddent i fod. Fel cwmni, yr ydym yn cael trafferth gyda'r BBC yn ddiweddar oherwydd y rhaniad newydd rhwng y BBC ac Ymddiriedolaeth y BBC. Yr hyn sydd yma yw'r sefydliadau yn edrych am ffyrdd i ddatblygu ac i drawsnewid eu hunain er mwyn delio â'r sefyllfa bresennol, ac yn methu i bob pwrpas. Prif ddiddordeb sefydliad o unrhyw fath yw diogelu'r sefydliad, sy'n rhywbeth sy'n tyfu dros amser. Nid yw'r dyfodol yn nhermau darlledu, y wasg a'r gwasanaethau ar y we wedi'i gynllunio ar gyfer y sefydliadau presennol, felly dyna pam yr wyf yn feirniadol o hwn. Nid wyf yn eu beio, yr wyf yn feirniadol oherwydd bod yn rhaid i ni ddarganfod ffordd arall o gynllunio sefydliadau sy'n fwy perthnasol ar gyfer yr hyn yr ydym ei angen.

Mr Jones: I am talking about the BBC, S4C, Ofcom and ITV. The reality is that we have inherited these organisations from a different time and landscape. It is unfair, almost, to criticise these organisations for not being able to be something that they were not supposed to be. As a company, we have had problems with the BBC recently because of the new split between the BBC and the BBC Trust. What we have here is the organisations looking for ways of developing and transforming themselves to deal with the current situation, and failing to do so to all intents and purposes. The main interest of any type of organisation is to safeguard the organisations, which is something that develops over time. The future in terms of broadcasting, the media and online services has not been designed for the current organisations, so that is why I am critical of this. I am not blaming them, but I am critical because we have to find a new way forward to design organisations that are more relevant to what we need.

[35] **Nerys Evans:** A oes gennych unrhyw argymhellion ar sut i ddechrau mynd i'r afael â'r mater hwn?

Nerys Evans: Do you have any recommendations on how we could start tackling this issue?

[36] **Mr Jones:** Credaf mai'r peth cyntaf i'w wneud yw dechrau gyda'r cynnwys. Rhaid diffinio'r cynnwys, ac wedyn byddwn yn gweld pwy sydd ar gael ar hyn o bryd er mwyn cynhyrchu a dosbarthu rhywfaint o'r cynnwys. Mi fydd yn bosibl gyda rhai o'r sefydliadau i negodi sefyllfa lle gallant wneud mwy neu lai, neu'n well, yn ôl y gofynion. Ar hyn o bryd, nid oes cysylltiad democrataidd rhyngoch chi yn y sefydliad hwn a'r bobl sy'n cynhyrchu cynnwys ar ran y genedl. Credaf fod hynny'n ein gwahodd, ar ryw adeg, i gael rhyw fath o gorff a fyddai, efallai, heb ei ariannu'n uniongyrchol, fel y dywedodd y Cadeirydd, ond sy'n gysylltiad rhwng y bobl, y cynnwys a'r cyrff sydd gennym, ac a fydd efallai yn y dyfodol yn ariannu cyrff annibynnol sy'n fodlon cyfrannu rhyw elfen o wasanaeth hefyd.

Mr Jones: I think that the first thing to do is to start with the content. We have to define the content, and then we will see who we currently have available to produce and distribute some of that content. It will be possible with some of the organisations to negotiate a situation whereby they can do more or less, or better, according to need. At the moment, there is no democratic link between you in this organisation and those who are producing content on behalf of the nation. I think that that invites us, at some point, to have some sort of body that would, perhaps, not be funded directly, as the Chair said, but which will be a link between the people, the content and the existing bodies, and will perhaps in the future fund independent bodies that are willing to contribute some aspect of service as well.

[37] **Nerys Evans:** Beth am rôl Ofcom, neu a fydd hynny'n dilyn y sefydliadau eraill?

Nerys Evans: What about the role of Ofcom, or will that follow the other organisations?

[38] **Mr Jones:** Y peth pwysig am Ofcom yw ein bod yn gwneud yn siŵr fod yr argymhellion a fydd yn dod allan yn yr hydref yn cynnwys argymhellion sydd o dan ddylanwad y pwyllgor hwn.

Mr Jones: The important thing about Ofcom is that we ensure that the recommendations that come out in the autumn include recommendations that are influenced by this committee.

[39] **Paul Davies:** Hoffwn ddychwelyd at y sylwadau a wnaethoch yn gynharach ynglŷn ag ITV. Dywedasoch nad ariannu'n unig oedd y broblem ond yr ewyllys i wneud y rhaglenni hyn. A wyf yn iawn?

Paul Davies: I would like to return to the comments that you made earlier about ITV. You said that funding was not the only problem, but the will to produce these programmes. Am I right?

[40] **Mr Jones:** Ydych. Nid wyf yn bod yn feirniadol o ITV yn lleol, ond problem fawr Michael Grade yw ei fod yn gwybod y bydd y cwmni a fydd ganddo ymhen tair neu bedair blynedd yn llai na'r cwmni sydd ganddo ar hyn o bryd. Felly, mae pob £1 y gall ei hennill mewn arian hysbysebu yn allweddol. Yn y slot rhwng 6.30 p.m. a 7 p.m., mae'n bosibl gwneud llawer mwy o arian drwy ddangos rhaglenni operâu sebon, adloniant neu gwis na dangos newyddion am Gymru, neu unrhyw ranbarth arall. Dyna natur ddiwydiannol y cwmni—mae'n gwmni sydd o dan bwysau yn y farchnad ac, a bod yn deg, mae'n brwydro yn erbyn pwerau sydd dipyn yn rhy gryf iddo allu dod yn ôl a dweud, '*By the way, we will still make regional news*'. Yr wyf yn ofni bod Hargreaves yn iawn.

Mr Jones: Yes. I am not being critical of ITV locally, but Michael Grade's big problem is that he knows that the company that he will have in three or four years' time will be smaller than the company that he has at the moment. Therefore, every £1 that it can get in advertising revenue will be crucial. They know that, in the slot between 6.30 p.m. and 7 p.m., it is possible to make much more money by showing soap operas, entertainment or quizzes, than it would by showing the news for Wales, or any other region. That is the industry nature of that company—it is a company that is under great pressure in the market and, to be fair, it is fighting against powers that are much too strong for it to be able to come back and say, '*By the way we will still make regional news*'. I fear that Hargreaves is right.

[41] **Paul Davies:** Sylwaf hefyd o'r papur eich bod yn credu bod darpariaeth well ar gyfer siaradwyr Cymraeg na siaradwyr Saesneg o Gymru. Pam ydych yn meddwl hynny? A fedrwch ehangu ychydig ar hynny?

Paul Davies: I also notice from the paper as well that you believe that there is better provision for Welsh speakers than for English speakers. Why do you believe that? Can you expand a little on that?

[42] **Mr Jones:** Mae'n ddiddorol gwrando ar y BBC yn sôn am ei gyfraniad i Gymru. Nid wyf am wneud yn fach o'r cyfraniad y mae'n ei wneud, ond y mae'n aml yn canolbwyntio ar *Doctor Who* a *Torchwood*, yn hytrach na gwasanaethau lleol. Mewn realiti, cyfraniad diwydiannol yw ei gyfraniad yn y maes hwnnw, ac nid yw'n gyfraniad o ran y cynnwys. Byddwn yn dadlau mai'r BBC yw'r unig ddarparwr o ddifrif sydd gennym o ran gwasanaethau Saesneg yn awr, ac mai un llais sydd gennym.

Mr Jones: It is interesting to listen to the BBC talking about its contribution to Wales, and I would not want to play down contribution that it has made, but it frequently focuses on *Doctor Who* and *Torchwood*, rather than on regional services. In reality, the contribution that it makes in that field is an industry contribution, and it is not a contribution in content terms. I would argue that the BBC is now the only serious provider of English-language services that we have, and that we have only one voice.

[43] Yn ogystal, heblaw am y newyddion, ac ni chredaf fod y newyddion mor gryf ag o'r blaen, pa wasanaethau yr ydym yn eu cael? Rygbi ac ambell beth arall. A yw hynny'n ddigon i gynnal teimlad ac ysbryd Cymreictod? Yr wyf yn amau hynny. Furthermore, apart from the news, and I do not believe that the news is as strong as it once was, what services do we get? Rugby and a few other things. Is that sufficient to maintain a sense and spirit of Welshness? I doubt that.

[44] A minnau'n Gymro Cymraeg, credaf fod cynnal Cymreictod yn Saesneg yr un mor bwysig i ddyfodol yr iaith â chynnal gwasanaethau yn y Gymraeg. Nid oes pwrpas i'r Gymraeg yn y dyfodol os nad yw pobl Cymru yn gyffredinol yn meddwl fod bod yn Gymry yn wahanol, ac felly yn gwerthfawrogi gwasanaethau Cymreig. Beth yw pwrpas Cynulliad os, yn y pen draw, nad oes cefnogaeth i'r syniad o Gymreictod fel rhywbeth gwirioneddol ddwyieithog? As a Welsh-speaker, I believe that maintaining a sense of Welshness through the medium of English is as important to the future of the language as maintaining services through the medium of Welsh. There is no point to the Welsh language in future if the people of Wales in general do not feel that being Welsh is different, and therefore appreciate Welsh services. What is the point of the Assembly if, at the end of the day, there is no support for this idea of Welshness as something truly bilingual?

[45] **Peter Black:** I am interested in coming back to this issue of accountability. I was not clear what structures you felt would be most appropriate in Wales to achieve a level of accountability in terms of the general broadcasting media here.

[46] **Mr Jones:** Accountability generally means pound notes. It generally means being accountable to those people who hold the purse strings, as well as the more general democratic issues that we have talked about. Ultimately, and this may well be driven by moves in Scotland, which I suspect is a bit ahead of us in terms of looking for new structures, I think that when the money transfers—and it will—then we will have to find new structures inside Wales that serve that purpose.

[47] Strangely, we have in the BBC Trust a model that might work for Wales. The BBC Trust struggles because it deals with the BBC as it is. However, an accountability chain that went from this body to something approximating the BBC Trust, which was then charged with providing the range of services that we might come up with as a list, and doing it in such a way that it ensured a plurality of voices, no democratic deficit, and that the various institutions and producers and potential producers that we have are treated fairly, might actually give us, in total, a package that works. However, we will not achieve this ultimately unless we can find a way of bringing this body's democratic role into the equation—that is key.

[48] **Peter Black:** Do you believe that such a structure would have a better chance of maintaining plurality in terms of the public service broadcasting elements of ITV and so on in Wales than, say, Ofcom does at present?

[49] **Mr Jones:** I have not heard any real proposals from Ofcom as to how it imagines plurality can be sustained. Where plurality may have to come from in the future is not just through the broadcast distribution channels that we have now, but particularly through the web-based services that are increasingly becoming part of the package as well. Bear in mind that, as more and more people turn to web-based services for news, information, and perhaps a lot of entertainment as well, it makes the entry price for a public service broadcaster trust to commission new teams of people—teams with different voices—that much lower. I believe that we could find an interesting period in terms of news coverage for us as a country.

2.10 p.m.

[50] Going back to the very early days of print publishing in Wales, it was the people wanting the news and information and the relatively cheap methods that were acquired to produce newspapers and so on that led to an explosion of print publishing. There is no reason why using the new technology should not also be sustainable within Wales. It is about providing choice that provides value for money. Uniquely, web-based services can do that.

[51] **Peter Black:** Would you envisage a situation where you have independent companies, such as yours, entering the market using the new media to promote, say, current affairs news programmes in that way?

[52] **Mr Jones:** I can imagine a whole series of producers wanting to get in on that sort of act. I do not believe that we are going to be talking here about ways of making anyone very rich, because prices in this sort of genre are going to be very low. However, typically, people are driven by the need to say something as well as by profit, and people with something to say will look for ways of getting into this market.

[53] **Peter Black:** So it could be a diversification of existing print media, for example.

[54] **Mr Jones:** Yes, indeed, although we do not have much in the way of printed news in Wales either at the moment. That is one of the reasons why some of these new web-based services can fill the increasingly dangerous deficit that we have in news coverage in Wales.

[55] **Alun Davies:** Diolch am eich amser y prynhawn yma. Y gair yr ydych wedi dychwelyd ato, a'r gair y bu ichi ddechrau gydag ef yn eich tystiolaeth ysgrifenedig, yw 'cynnwys', ac yr ydym newydd drafod hynny. A ydych yn credu bod strategaeth Llywodraeth y Cynulliad, a strwythur yr Adran dros Ddiwylliant, y Cyfryngau a Chwaraeon i alluogi creu mwy o gynnwys yng Nghymru a'r tu allan i Lundain, wedi bod yn gweithio?

Alun Davies: Thank you for your time this afternoon. The word that you have come back to, and the word with which you opened your written evidence, is 'content', and we have just discussed that. Do you believe that the Assembly Government's strategy, and the Department for Culture, Media and Sport's structure to enable more content to be created in Wales and outside London, have been working?

[56] **Mr Jones:** Nid wyf yn siŵr fy mod hyd yn oed yn deall strategaeth y Cynulliad yn y maes hwn, a bod yn onest gyda chi.

Mr Jones: I am not sure that I even understand the Assembly's strategy in this field, to be honest with you.

[57] **Alun Davies:** Mae wedi bodoli ers dros ddwy flynedd. A ydych yn dweud nad yw wedi gweithio o gwbl?

Alun Davies: It has been in existence for over two years. Are you saying that it has not worked at all?

[58] **Mr Jones:** Ydwyf.

Mr Jones: Yes.

[59] **Alun Davies:** Yr oedd hynny'n glir.

Alun Davies: That was clear.

[60] Yn ystod eich tystiolaeth y prynhawn yma, yr ydych wedi sôn am strwythur ddarlledu yng Nghymru a'r sefydliadau sydd gennym, ac yr ydych wedi awgrymu, yn arbennig yn eich tystiolaeth ysgrifenedig, nad yw'r strwythur bresennol yn gweithio. Yr ydych wedi sôn hefyd am y ffaith bod rhaid

During your evidence this afternoon, you have spoken about the structure of broadcasting in Wales and the organisations that we have and you have suggested, especially in your written evidence, that the present structure is not working. You also mentioned that we must decide how we fund

inni benderfynu sut ydym yn ariannu cynnwys o Gymru i gynnal y cysyniad o Gymreictod. Mae'n swnio fel pe baech yn sôn am sefydlu rhyw fath o gorff comisiynu yng Nghymru a fyddai'n gwneud y gwaith nad yw ITV yn gallu ei wneud ar gyfer y dyfodol ac nad yw cwmnïau eraill am ei wneud o gwbl.

[61] **Mr Jones:** Credaf fy mod yn dweud hynny. Rhaid inni gofio bod y BBC yn ddiogel hyd 2013, yr wyf yn credu, ac mae S4C yn ddiogel am gyfnod tebyg. Felly, ni chredaf ein bod yn gallu newid y sefydliadau i gyd yn gyfan gwbl o fewn yr amserlen sydd gennym i newid cynnwys. Dyna pam yr oeddwn yn dechrau y tu ôl i'r sefydliadau, gyda'r cynnwys. Os ydym yn llwyddo i ddiffinio'r cynnwys, bydd yn rhoi cyfle i'r sefydliadau sydd gennym ar hyn o bryd newid rhywfaint, o leiaf, i'r cyfeiriad hwnnw yn y blynyddoedd sydd ganddynt ar ôl. Ar yr un pryd, mae'n rhaid inni ystyried pa sefydliadau newydd y bydd eu hangen ar gyfer yr amser ar ôl 2013, pan fydd popeth yn newid. Wrth gwrs, mae popeth yn gallu newid o dan ofal Ofcom. Felly, eto, a ydym am adael i Ofcom fynd ymlaen gyda'i awgrymiadau i'r dyfodol heb ein bod ni fel gwlad, a chi fel Cynulliad, yn cyfrannu barn gadarn ar beth sydd ei angen? Nid wyf yn credu ei bod yn bosibl cyfiawnhau hynny.

[62] **Alun Davies:** Diolch yn fawr; yr ydych wedi rhoi llawer inni feddwl amdano. Yr ydym yn gwerthfawrogi'r amser yr ydych wedi treulio gyda ni'r prynhawn yma. Bydd trawsgrifiad o'r sesiwn hwn ar gael ichi yn ystod yr wythnos nesaf. Yr ydym yn gwerthfawrogi'n fawr yr amser yr ydych wedi cymryd i drafod y materion hyn.

[63] **Mr Jones:** Fe'i mwynheais.

[64] **Alun Davies:** Gofynnaf i John McVay, prif weithredwr Cynghrair Cynhyrchwyr Sinema a Theledu, ddod at y bwrdd. Prynawn da. Diolch yn fawr am eich parodrwydd i ddod yma i roi tystiolaeth inni; yr ydym yn ei werthfawrogi yn fawr. Yr ydym wedi cael copi o'ch papur cyn y cyfarfod, ac yr ydym wedi cael cyfle i'w ddarllen. A allwch ddechrau drwy gyflwyno eich hun a'ch papur ar gyfer y Cofnod?

content from Wales, to maintain the concept of Welshness. It sounds to me as if you are talking about establishing some sort of commissioning body in Wales that would do the job that ITV is not able to do for the future and that other companies do not wish to do.

Mr Jones: I believe that that is what I am saying. We must remember that the BBC is safe until 2013, I think, and S4C is safe for a similar period. Therefore, I do not believe that we can completely change all the organisations within the timetable that we have to change content. That is why I was starting behind the organisations, with content. If we succeed in defining content, it will give those organisations that we have at present the opportunity to change their direction, at least to an extent, in the years that they have left. At the same time, we must consider which new organisations we will need for the time after 2013, when everything will change. Of course, everything can change under the auspices of Ofcom. Therefore, again, do we want to allow Ofcom to go ahead with its recommendations for the future without us as a country, and you as the Assembly, expressing a strong opinion about what is needed? I do not believe that it is possible to justify that.

Alun Davies: Thank you; you have given us a lot to think about. We appreciate the time that you have spent with us this afternoon. A transcript of this session will be made available to you over the next week. We very much appreciate the time that you have taken to discuss these matters.

Mr Jones: I enjoyed it.

Alun Davies: I ask John McVay, the chief executive of Producers Alliance for Cinema and Television, to join us at the table. Good afternoon. Thank you for your willingness to join us to give evidence; we greatly appreciate it. We received a copy of your paper before the meeting, and we have had an opportunity to read through it. Can you start by introducing yourself and your paper for the Record?

[65] **Mr McVay:** Thank you for the opportunity to come to speak to you today. Just to be clear, PACT is a pan-UK trade association: we represent English-language and Welsh-language producers working across the entire UK, working for network broadcast and also for what would be called opt-out programming in the nations and, previously, in the regions, although there is little of that left now, thanks to ITV leaving that.

[66] Our paper is predicated on a simple principle: as a pan-UK organisation, we want to see all of our members take the opportunities that the future will present them, in terms of the possibilities of network programming, to serve the interests of the whole of the UK. Nearly 40 per cent of our members are based outside London in the nations and in the regions, and we want to ensure that they have the ability to grow, to develop and to become globally competitive, much as Ron alluded to earlier. We think that that is achieved by having sustainable strategies for commissioning to allow for economic development across the UK, and for the development of talent, particularly for the future. The best way to achieve that is to have sufficient industrial scale of commissioning across the country to enable companies, such as Ron's and others, to plan for the future, to make the necessary investments, to attract talent, to engage with bodies such as yours as to your particular ambitions, and, ultimately, to arrive at a position, over the next five to seven years, where, across the UK, you will see a more devolved supply of network programming for the UK networks. Our position is mostly focused on UK network commissioning, not on opt-out, regional or national programming.

[67] **Alun Davies:** Thank you for that. We are familiar with PACT as a UK-wide body, but, possibly, less familiar with its role in Wales. Can you outline for us how many companies you represent in Wales, your relationship with Teledwyr Annibynnol Cymru and how you do business in Wales?

[68] **Mr McVay:** We represent a number of bi-medium companies in Wales that produce for S4C through the medium of Welsh and also for network broadcast. Tinopolis is a member through its English-language subsidiary, Mentorn, and there are companies like Boomerang, which produce Welsh-language products and for the English-language networks as well. We represent their interests in all the industrial-relation agreements with trade unions for English-language production, and TAC will negotiate with similar organisations for Welsh-language production. There is a distinction between the nature of the commissioning. On all of the issues that we face, whatever they are, we will give help, advice, support and guidance to any PACT member in Wales on English-language commissioning. Increasingly, if we are asked to do so, we will talk to S4C about any issues that may face our members with S4C as a commissioning broadcaster.

[69] **Paul Davies:** Are you satisfied that the paper that you have provided reflects the views of your members, bearing in mind that you represent 700 member companies across the United Kingdom?

2.20 p.m.

[70] **Mr McVay:** We consulted our Welsh representative, who gave us various views from our members in Wales. So, we think that it reflects a broad sweep of various issues that concern our members. The primary concern is access to returning series for network broadcasting, but you would find the same issue being reflected in Scotland and in Northern Ireland. I think that it is an issue that particularly faces nations, where there has been a clear decline in the volume and, from our figures, the value of network production from Wales to the main UK networks. That is the main way that you make a difference to the viability and long-term sustainability of production clusters in any nation or, indeed, any region.

[71] **Paul Davies:** In your paper, you stress the importance of plurality in the supply of programming. Could you expand on this a little, please?

[72] **Mr McVay:** As Ron alluded to earlier, *Doctor Who* are the words that you always hear when you talk about Wales. *Doctor Who* is a fantastic success story for the Welsh BBC in-house drama production department. We would like to see more of those opportunities being made available to a number of other suppliers—either Welsh-language suppliers or English-language suppliers—in Wales to create a more mixed economy. We think that it is the mixed economies that help to retain talent, because you do not have to work for just one monopoly employer; you can work across a range of employers. Mixed economies provide more innovation and more competition. They also allow for more sustained financial planning for production businesses. I agree with Ron that the future of production is content and the future of content is global. I do not see why a Welsh producer cannot take advantage of those opportunities in the same way as a producer based in London.

[73] **Peter Black:** On the Ofcom report, does PACT have any preferred or alternative model to that which has been set out by Ofcom in its review? Do any of these models present specific risks and opportunities to independent producers for the funding of programmes in the nations and regions?

[74] **Mr McVay:** We are still working through our options. As you can imagine, with 700 member companies, we have to consult quite broadly to arrive at our position. Our initial position is that we are reluctant to see any system introduced that effectively loses programming budgets, either through the licence fee or any other form of direct public intervention, whereby a sum of money may be given to a separate body and the costs of that body have to come out of the programming budget. As producers, we would like to see the maximum amount of money possible being spent on content, because, ultimately, that is what the public is paying for, either through taxation or through the licence fee. So, we think that as much of the money as possible should go on screen, into services, and into content that the public wants. So, our principal position, which we established during the charter review for the BBC, is that we are reluctant to see Peter being robbed to pay Paul, because on the way to paying Paul, you can lose somewhere between 25p to 40p in the £1.

[75] **Peter Black:** Do you think that it is desirable that we have plurality of provision in Wales for news and current affairs?

[76] **Mr McVay:** Yes, although you should be careful what you wish for. Coming from Scotland, many of the people I know who are active in the Scottish Parliament would say that there is too much press and media in Scotland. It is important to have a mix or plurality of voices. With regard to how you arrive at that, Ron's points about that being delivered through a range of other media—through broadband or new media—were very interesting. Ultimately, it is for people like you, elected politicians, to be deeply concerned about that. Whatever interventions you make in the PSB review, the ability for Wales to have plurality in news, information, and current affairs is absolutely crucial. The difference between Wales and Scotland is quite marked in that respect.

[77] **Peter Black:** The dilemma that we face is that, if you are to achieve that desirable outcome, you have to fund it somehow. If you are not going to top-slice the licence fee, where does that money come from? Do you have any views on that?

[78] **Mr McVay:** Direct taxation would be another way to do it. The question is: what is that, and how do you fund it? How much it will cost will also be part of the debate. We have not finalised or crystallised our position on that at the moment.

[79] **Peter Black:** Is the licence fee not a form of taxation?

[80] **Mr McVay:** It is.

[81] **Peter Black:** So, maybe you could take it from that, or perhaps you should increase the licence fee and give the money that way.

[82] **Mr McVay:** That is an option. Ed Richards is on record as suggesting a few weeks ago, prior to the launch of the report, that the £200 million that has been added to the licence fee for the digital switchover should be taken back and redistributed, and that is money that is already contained within the licence fee. I am not quite sure how licence fee payers view that, because it was meant to be a one-off structural cost. I think that that argument is a reasonable position, but when you say, ‘Where does that money go, and what do you get for it?’, the question of what you get is the critical bit.

[83] **Nerys Evans:** You say that one problem for independent Welsh companies is the level of commissioning outside London. Could you expand on that? Do you think that we need network commissioners based in Wales?

[84] **Mr McVay:** From our figures—and although the BBC carps about them around the edges, I think that they are accurate—only 1 per cent of network hours come from Wales. That includes in-house production at the BBC as well as the independents, and we think that that is quite low. For the past 10 years, PACT has pushed for greater commissioning outside London, particularly around the nations of the UK. The BBC aspires to a target of 17 per cent commissioning from outside London. We would like it to reach that target quicker, so that there would be more commissioning from the nations in particular.

[85] It is not just about the figures though; it is really about the culture. One of the things that we did when we agreed WOCC, or Window of Creative Competition—which is our new commissioning structure with the BBC, opening up more access to external suppliers—was to move beyond sitting around talking about figures, to talk instead about the culture of commissioning. You must address the question of what the drivers are for someone commissioning a network comedy series from Cardiff: what do you need to put in place to ensure that that will be a success, that it will get repeated, re-commissioned, and be sustainable in the long-term? That is partly about cultural engagement. It is not enough for commissioners in London to think, ‘Well, I only know people in Notting Hill.’ That is absolutely not fulfilling the core part of their job. They should know people in Cardiff bay, Aberystwyth, Glasgow, Manchester and Bristol. Their job is to look for talent, and to engage with that talent positively, because, ultimately, these are creative businesses.

[86] Most of my members are driven by competition: they want to win a commission, come up with a great idea, sell that idea to the market, win a BAFTA, be successful, and make money. They are driven by competition and positive forces, so I think that targets are there to pull things forward and to ensure that the culture underneath is addressed. That is a more long-term approach to some of the debates that you often hear. In Scotland, the argument was ‘Well, we should have 9 per cent guaranteed.’. Nine per cent of what? You want to ensure that you have the right innovative culture underpinning those targets so that you have something sustainable, exciting and attractive to the population going forward.

[87] **Nerys Evans:** Could you explain the issue of disputed titles and how they are recorded in the statistics?

[88] **Mr McVay:** Yes, we are still in dispute with the BBC about this. It is to do with how things are counted. Basically, a programme commissioned through BBC Scotland, for instance, but made in the Midlands, would count against BBC Scotland’s figures. We raised that with the BBC, saying that it is a bit of a double whammy because, first, it is depriving producers in Scotland from opportunities that they may want to pitch for, and secondly, there is no benefit to the infrastructure in Scotland because the production is actually made

somewhere else. Indeed, that particular title, *Waterloo Road*, will now be made in Scotland, which is a very good result.

[89] **Nerys Evans:** Are you happy with the 17 per cent target from the BBC? We heard last week that putting a figure on that might distort the whole process.

[90] **Mr McVay:** You need to have something to aim for, indeed, something to exceed. There is no harm in targets if you get the culture right, and, if you get the infrastructure right in terms of public agencies, entrepreneurs and production centres, why not make the target 20 per cent? In the end, if it is all about the quality of the ideas and the ability to deliver them, there is nothing to say that you could not exceed that target. It would be a better ambition to say that the target of 17 per cent is a floor. Overall, the BBC is committed to eventually commissioning 50 per cent of its production outside London. We think that that is good, but we would like to see the BBC move faster, and we would like to see Channel 4 make more effort as well.

[91] **Alun Davies:** It will certainly be interesting to hear the BBC explain how *Life on Mars* and *Ashes to Ashes* benefit BBC Wales in any way at all.

[92] **Mr McVay:** I am sure that the BBC will have an interesting answer.

2.30 p.m.

[93] **Alun Davies:** I am sure that it will. Your report on life outside London makes fascinating reading, and not only because Kim Howells, when he was Minister at the Department for Culture, Media and Sport at the time of the communications legislation, was very clear that that legislation was designed to ensure that we had clusters of production throughout the United Kingdom. That was done for economic reasons, but it was also done for cultural reasons, so that the United Kingdom as a whole would have its life reflected on screen and so that the production sector itself would not simply be focused on London. Is part of the message of this report that that legislation has failed?

[94] **Mr McVay:** No, I would not say that the legislation per se has failed; it has only been in place for a short time. However, the targets for levels of commissioning outside London have been in place since before the Communications Act 2003. Channel 4 has had a 30 per cent requirement for 10 years, so the question is: what is that 30 per cent made up of? If you recognise 30 per cent as success, either in previous legislation or in the Communications Act, those figures are there to drive forward different engagements. What we are trying to say is that those engagements have not always been as productive as they could have been. Thinking of our work with agencies such as Creative Business Wales, it would seem sensible for the Assembly Government, the development agencies, the producers and the broadcasters generally to share the same objective: to develop and sustain diverse production centres across the UK that can make programmes for national broadcasting as well as for your network.

[95] There has been a beginning, but we think that it should be ratcheted up to another level, and there should be deeper involvement and deeper understanding. For instance, why do Channel 4 and the BBC not work together? If a producer in Wales gets an entertainment series commissioned—one of the hardest commissions to get—why can they not then work together to help to nurture that company and develop success? Previously, they have seen themselves as being in direct competition, and they take different positions. We have been telling them for some time that they should try to come together and co-operate to deliver a better outcome, which would be good for them, good for the production community and good for culture as a whole.

[96] **Alun Davies:** Your report says that 1 per cent of all network hours across the five terrestrial services comes from Wales—I must say that that is far lower than I had thought—and you seem to imply that the reasons for such a low proportion are more cultural than structural. Is that the case?

[97] **Mr McVay:** I think so. The structures are the targets, the legislation and the charters, and I think that they say the right thing. However, what people do with them and how they articulate them and engage with them could be improved. Although there are some good examples of people doing very well, overall, there has perhaps not been as much engagement as we would like. We welcome the BBC trust's call for the BBC to look at an out-of-London network supply review, and we have been feeding into that. Our main focus is on changing the culture, so that the BBC and network commissioners based in London are more open, more willing to engage and more risk-positive. That may mean that there are resource issues for them, because they cannot do everything all the time, but we think that there must be proper engagement.

[98] Otherwise, what you will see is structural intervention, where you can move a production from Manchester to Cardiff to hit the target—or, equally, you could move it out again to somewhere else. That is part of the historical legacy of out-of-London productions. However, we do not think that that is the best way forward; it is not the sustainable way forward. You would hit your targets, and you would probably keep DCMS and Ofcom happy, but you may not necessarily be achieving your overall policy objectives—the reasons Kim Howells put those things put in the Communications Act in the first place.

[99] **Alun Davies:** I accept that, but is it not a convenient and comfortable excuse to blame a culture that you cannot quite pin down? You have said yourself that the industry is driven by competition and the desire to succeed, to win BAFTAs—surely, commissioners are driven by the same motives themselves, are they not? They want their channel, or genre, or whoever they commission to be a success as well, so is the real reason for the low number of commissions in Wales not a failure of production companies, either to sell their good ideas or to actually provide the sort of programming that the commissioners are looking for?

[100] **Mr McVay:** It is hard for me to say, because I do not see all the ideas, and it is difficult to put me in a position where I have to judge my members' ideas. However, it is a good point, and a moot one. I do not think that people are lacking in good ideas, but it may be that you do not always have the infrastructure in terms of the talent and the experience that would give the network commissioners the comfort that they need in order to take risks. That is a cultural thing. That is about them saying, 'Here is an executive producer who has worked in Wales for many years, who is very talented, but I do not know them.' How do you get to know them? That is something that can be addressed by management saying, 'You must go to meet these people.' There are ways of introducing them.

[101] We are working with Creative Business Wales and the talent fund to try to attract executive producers back to Wales in order to build up that talent pool that commissioning editors can be more comfortable with. I do not think that it is a failure of the production community. I am sure that there are millions of ideas in Cardiff bay every lunch time, which would make great network shows, but the question is whether they can put the different components together to get the show commissioned and on air and then, critically, repeat that success. That is the critical part.

[102] **Alun Davies:** I asked Mr Jones earlier for his view of the Welsh Assembly Government's creative industries strategy. You presumably heard his rather short reply. Do you have any views on how the Assembly Government's creative industries strategy has contributed to the successes that have been enjoyed by various companies? Do you think that the Assembly Government's position and policies have been irrelevant to the success of

production companies in Wales?

[103] **Mr McVay:** I am not in a position to judge, without seeing some of the investments and what has come out of them. To comment would be unfair on the companies and your policy. The key thing is that you, like many other parliamentary bodies and representative bodies across the country, recognise that creative industries and intellectual property are a critical part of your economy going forward. Rather than saying, ‘Your start is not very good.’, I think that you should look at what you have done and how you can make it better and more responsive. That is a more mature way of trying to think about what you can do.

[104] Ultimately, the balance between public sector involvement, private sector enterprise and other factors is always a hard one to negotiate. When I was working in Scotland with Channel 4 and we were using public funds to invest in projects, it was always hard to keep everyone happy. I think that your ability to take more risks and to be more entrepreneurial and more open to new things is a good thing. I think that we will see similar initiatives coming from Scotland and Northern Ireland because, clearly, they are looking at the global opportunities that a successful IP strategy can deliver.

[105] The problem with IP, unlike many of the economic development strategies that the UK is normally involved with, is that IP does not leave you with a big empty factory: it is intangible, but it is something that you can create and exploit over many years. If you look at the American studios, they are still exploiting intellectual property that they made 50 years ago and every time there is a new delivery format, they re-sell you *Casablanca*. So, if you have the right investment strategies, they can be very long term and can bring considerable benefits, but they are quite hard to understand. What goes into them and how you maximise a return from them can often be difficult. Indeed, that is what the city, with its recent investments in UK independent producers, has been grappling with, understanding better than it ever did before.

[106] **Alun Davies:** I was interested in one of the comments that you made in your written paper that the Assembly Government’s IP fund was very welcome for what it was, but given that it demands a far greater level of repayment in recouping its investment than private-sector alternatives, it actually does not fulfil the investment criteria that it was established to achieve. Do you have examples of that failure?

[107] **Mr McVay:** Not as such, no. When we talk to our various member companies across the country, we try to understand what the structures are. The north west is developing a number of funds, particularly in production development, which seem to be very sympathetic to the nature of the businesses. So, I think that, where there are little models across the piece, it is always worth looking at them. How you structure any model that will help a business to get the right talent and to develop the right product and get it to market, with public support that is quite sympathetic to the ability to monetise the product and get a return on it, is quite difficult. Indeed, you and many of the RDAs are now looking at this to determine, if you do get involved in these industries, an appropriate investment strategy and an appropriate recoument from that for the public. It is quite a hard position, but I encourage you to look at all the different models and see what you think—and talk to the companies that you have to find out what works for them and what is achievable within the constraints of public funding.

2.40 p.m.

[108] **Alun Davies:** You appear to be—tangentially, shall we say—critical of S4C’s approach in actively seeking a consolidation of the sector in Wales. You said that, by focusing investment in a relatively limited pool of companies, the impact—I think that you said that it was unintentional—prevents others from competing for commissions. Would you like to expand on that?

[109] **Mr McVay:** The overall strategy of having more strategic investments to give stability and to develop continuity of supply is a good one. It is not a perfect model, but is a model, and every model should show awareness of the opportunity costs in that one approach. Clearly, if you only have so many slots available, effectively, you have pre-sold them through some system, and if no other slots are available for new ideas, innovation and new thinking, you may be missing out on a great opportunity. A balance has to be struck between having a robust industrial strategy to give continuity of supply to allow for growth in development and risk-taking and retaining enough of a space for innovation and for new ideas to come through. I am sure that they think about that as well. From our discussions with our members in Wales, that was their main concern. One the one hand, if you were one of the companies that got one of those major contracts, you are quite happy, while on the other hand, if you are not among them, you can see that you are perhaps missing out and you would like the opportunity to win the commissions. I am sure that S4C will not be locked in to those contracts forever; it will have to refresh them, and I am sure that it will be learning from that process as it goes forward as well.

[110] **Alun Davies:** I was interested in your earlier comment on Channel 4. From my perspective, Wales is invisible on Channel 4, which seems to have adopted an England-Scotland view of the United Kingdom. On some occasions in the past, it has actually said, ‘You have got S4C; we are going to focus in on England and Scotland’, and the policies that it has followed have continued that approach. Those days refer back to the analogue world of the 1980s and 1990s, and, as such, it is an irrelevant approach to today and, certainly, to the post-digital switchover era. Does my analysis sit easy with you?

[111] **Mr McVay:** Absolutely. Channel 4 should be looking for talent, wherever it is, and whatever language it speaks, because its main focus is to bring innovation and new ideas to the UK network. That can be Northern Irish or it can come from Cardiff—Channel 4 should be open to ideas. Particularly in the digital age, Channel 4 should be even more engaged with the nations in looking for the talent that will be just down the road when thinking up a television idea or working on a comedy script.

[112] **Alun Davies:** You mentioned this cultural approach. In Channel 4, we have what is essentially a cop out from even seeking productions in Wales—

[113] **Mr McVay:** As you say, it is part of the analogue legacy. Channel 4, going forward, has to find talent that resonates with its advertisers and with British audiences, and I am sure that some of the talent that is sitting right now in Cardiff could deliver a brilliant programme for the channel. It is not even a matter of being nice about cultural issues; it is a simple bottom-line issue, basically. Channel 4 has to deliver great programme ideas and I am sure that many independent producers in Cardiff would love to deliver them for it.

[114] **Nerys Evans:** What is PACT’s view on Ofcom’s role? Does it adequately reflect the needs of the nations and regions as it currently stands?

[115] **Mr McVay:** I was listening to Ron’s comments carefully. When I first started at PACT in 2001, we had to work with the Independent Television Commission, and I think that Ofcom is light years ahead of what the ITC was in terms of Ofcom’s engagement with issues such as the nations and regions of the UK, the intellectual rigour that it brings to the debates, and the sense of openness. I heard from Ron that Ian Hargreaves from Ofcom came before the committee; ITC hardly ever did anything like that. Ofcom is a public body that should receive input from the Assembly, the Scottish Parliament, Westminster, the RDAs and all interested bodies to improve and be more relevant. I agree with Ron that it is on your shoulders to ensure that Ofcom understands what your issues are.

[116] From working with Ofcom as it has developed over the past five years, we have been impressed across the piece by the ability to engage in serious debates and be listened to, and for a sense of real rigour to be brought to the issues. Some of those issues are difficult—it could be issues around new media or the future of broadband, which are really important. We feel that, in Ofcom, we have a body that is not a political institution—it is a body which is there to cover and interrogate those issues from all of the different perspectives and arrive at some policy that people can take a view about. We have found the process to be good, and for us as independent producers, Ofcom has been a big success story, because it has introduced codes of practice that have allowed us through the Communications Act 2003 to retain our intellectual property rights, which has led to a sea change in the fortunes of many independent production companies.

[117] **Alun Davies:** Thank you for that. I agree with what you said about the cultural aspects of commissioning and the need to create a sense of security, if that is possible within this context, and that network commissioners would feel happier about commissioning more programmes from Wales—or any other part of the United Kingdom, for that matter—if they had a sense of comfort about the infrastructure that would sustain and support individual companies or productions. We have discussed the Assembly Government’s intellectual property fund and you have said that you wish to see greater synergies between different agencies, skills organisations and broadcasters. Could you expand on that? How would you see that working in a Welsh context in terms of the future role and potential new roles for the Welsh Assembly Government?

[118] **Mr McVay:** One thing that Creative Business Wales has taken up is a suggestion that we put, which was that you could help Welsh producers go to the market in London by providing subsidised hot-desk facilities. This is something that Scotland is also looking at. That is pragmatic—you can help with people’s legitimate business costs of going to develop those relationships with executive producers, talent or the commissioners, because, by and large, you need to go to the market, be visible and develop those relationships. That is a clear role for the public sector—indeed, Scottish Enterprise used to do it 10 years ago for the craft sector. It basically created a subsidised office in London for people working in the crafts. It meant that they did not turn up to meetings with a trolley bag; not having a trolley bag for your first meeting with a commissioning editor is probably a good idea. So, it is not rocket science—many of these things can be pragmatic and straightforward, and they can also be cost-effective. It can make a big difference to the day to day overhead costs. If you have someone based on the west coast of Wales, travel costs to get to the market in London are considerable. That may be something that they would like to do more but cannot do enough of, and those are things that the Welsh Assembly Government, Creative Business Wales or other agencies, can help with.

[119] **Alun Davies:** Thank you for your time and your evidence this afternoon, which we greatly appreciate. You will have an opportunity to look at the transcript of this afternoon’s session, which should reach you in the next week or so.

[120] Mae sesiwn olaf y prynhawn gyda Teledwyr Annibynnol Cymru. Yr wyf yn croesawu Gwion Owain a Dafydd Rhys i’r bwrdd. Diolch am eich amser y prynhawn yma a diolch am eich adroddiad ysgrifenedig, yr ydym oll wedi cael amser i’w ddarllen. Byddwn yn ei werthfawrogi pe gallech gyflwyno eich hun ar gyfer y Cofnod ac, efallai, ddweud ychydig o eiriau i gyflwyno prif negeseuon eich papur ysgrifenedig.

The final session of the afternoon is with Teledwyr Annibynnol Cymru. I welcome Gwion Owain and Dafydd Rhys to the table. Thank you for your time this afternoon and for your written report, which we all have had time to read. I would appreciate it if you could introduce yourself for the Record and perhaps say a few words to present the main messages of your written paper.

[121] **Mr Owain:** Yr ydym yn cynrychioli TAC, sef Teledwyr Annibynnol Cymru—y gymdeithas fasnach yng Nghymru sy'n cynrychioli'r sector annibynnol. Fy enw i yw Gwion Owain, prif weithredwr TAC, ac mae Dafydd Rhys, ein cadeirydd, yn ymuno â mi.

Mr Owain: We represent TAC, namely Teledwyr Annibynnol Cymru—the commercial association in Wales that represents the independent sector. My name is Gwion Owain, the chief executive of TAC and Dafydd Rhys, the chair, joins me.

2.50 p.m.

[122] **Alun Davies:** A hoffech roi cyflwyniad am eich tystiolaeth ysgrifenedig?

Alun Davies: Would you like to give an introduction to your written evidence?

[123] **Mr Owain:** Yr ydym wedi ceisio sicrhau bod ein tystiolaeth ysgrifenedig yn adlewyrchu'r gwaith mae Ofcom yn ei wneud ar hyn o bryd. Mae llawer o'r hyn yr ydym wedi'i ysgrifennu a bydd llawer o'r hyn yr ydym yn ei ddweud y prynhawn yma yn ategu'r hyn a ddywedodd Ron a John McVay. Felly, yr un pryderon sydd yn ein gyrru ni. Yr ydym yn awyddus i sicrhau plwraliaeth a chystadleuaeth o fewn darlledu gwasanaethau cyhoeddus yng Nghymru.

Mr Owain: We have tried to ensure that our written evidence reflects the work that Ofcom is currently doing. Much of what we have written has underlined, and much of what we say this afternoon will underline, what Ron and John McVay said. Therefore, the same concerns drive us. We are keen to ensure plurality and competition in public service broadcasting in Wales.

[124] Yn amlwg, o ran ein cylch gwaith ni, lles y sector annibynnol sy'n llywio'r hyn yr ydym yn ei wneud. Wrth gwrs, mae hynny'n ddibynnol iawn yng Nghymru ar les a sefyllfa darlledwyr gwasanaethau cyhoeddus. Dyna sydd yn ein llywio ni. Yr ydym hefyd yn awyddus i weld rôl y Cynulliad o fewn y byd darlledu a'i ddylanwad ar y sector annibynnol yn datblygu.

Clearly, in terms of our remit, the wellbeing of the independent sector influences what we do. Of course, that is very dependent in Wales on the situation of public service broadcasters. That is what influences us. We are also keen to see the role of the Assembly in the world of broadcasting and its influence developing in the independent sector.

[125] Er mai amserlen cymharol dynn sydd ar gael i adrodd yn ôl, yr ydym yn croesawu parodrwydd y Cynulliad i fynd i'r afael â'r materion hyn nad ydynt wedi eu datganoli ar hyn o bryd. Gobeithiwn y bydd hwn yn beth da yn natblygiad democrataidd Cymru ac yn natblygiad y ddialog rhwng y Cynulliad a'r sectorau darlledu ac annibynnol. Gobeithiwn y bydd y pwyllgor hwn yn un o nifer a fydd yn edrych ar y sector pwysig hwn yn ddemocrataidd ac yn ddiwydiannol yng Nghymru.

Even though the timescale in which to report back is quite tight, we welcome the Assembly's willingness to deal with these issues, which are not yet devolved. We hope that this will be a positive thing in Wales's democratic development and in the development of dialogue between the Assembly and the broadcasting and independent sectors. We hope that this committee will be one of many that will look at this sector, which is important democratically and industrially to Wales.

[126] **Alun Davies:** Cyn imi fynd at Aelodau a'u cwestiynau, a oes modd i chi esbonio eich perthynas gyda PACT, gan ein bod newydd glywed ganddo ar sut mae'n gweld y sector a'r materion gwleidyddol a pholisi sy'n wynebu'r sector ar hyn o bryd yn datblygu? A oes modd i chi esbonio eich perthynas gyda PACT a dweud faint o

Alun Davies: Before I go to Members and their questions, could you explain your relationship with PACT, given that we have just heard from it on how it views the development of the sector and the political and policy issues currently facing it? Is it possible for you to explain your relationship with PACT, tell us how many companies you

gwmnïau yr ydych yn eu cynrychioli ar hyn o bryd a sut yr ydych yn gweithio gyda'ch gilydd?

[127] **Mr Owain:** Nid oes strwythur ffurfiol i gydweithio gyda PACT ar hyn o bryd. Yr ydym yn cynrychioli dros 30 o gynhyrchwyr annibynnol yng Nghymru. Mae'r cwmnïau hynny yn gweithio fwyaf i ddarlledwyr yng Nghymru gan gynnwys y BBC, ITV Cymru ac, yn bennaf, S4C. Ategfaf yr hyn a ddywedodd John McVay ar y berthynas rhwng darlledwyr a chwmnïau annibynnol, ond hefyd ar sefyllfa Cymru o ran comisiynu ar gyfer rhwydwaith Prydeinig.

[128] Mae PACT wedi gwneud darn o waith pwysig a chyfeiriwn ato yn ein tystiolaeth ysgrifenedig. Mae TAC yn ategu nifer o'r pryderon a godir yn y papur hwnnw. Mae gorgyffwrdd o ran ein dyheadau ni a rhai PACT. Mae TAC yn cynrychioli cynhyrchwyr yng Nghymru. Yn hanesyddol, cychwynwyd TAC pan sefydlwyd S4C, fel llais ar gyfer y sector annibynnol yng nghydestun S4C. Mae ein cylch gwaith wedi tyfu. Yr ydym hefyd yn cynrychioli ein haelodau mewn trafodaethau gyda'r BBC ac ITV, ond mae hefyd gennym rôl ehangach i feithrin y sector, yn sicr o ran ei berthynas gyda darlledwyr rhwydwaith ac yn y blaen.

[129] **Mr Rhys:** Soniodd Ron Jones am dirwedd y 1980au a'r 1990au a sut mae hwnnw wedi newid. Mae'n rhaid i TAC newid hefyd. Mae teitl y corff yn hen ffasiwn erbyn heddiw. Mae TAC yn sefyll am Teledwyr Annibynnol Cymru, ond beth yw teledwyr erbyn hyn? Mae ein haelodau'n creu cynnwys, nid dim ond rhaglenni teledu. Felly, yr ydym yn y broses o newid yn ogystal.

[131] **Paul Davies:** Hoffwn ganolbwyntio ar waith Ofcom i ddechrau. Nid ydych fel sefydliad yn ffafrio unrhyw un o'r modelau yn yr ymgynghoriad, ond a ydych yn credu bod y pedwar model yn cyflwyno risgiau penodol i gynhyrchwyr annibynnol?

[132] **Mr Owain:** Yn sicr, mae risg ynghlwm wrth bob model, ac efallai'r risg fwyaf yw gwneud dim. Dyna'r risg fwyaf gyda'r model cyntaf. Ategfaf yn gryf yr hyn a

represent at present and how you collaborate with each other?

Mr Owain: There is no current formal structure for working with PACT. We represent over 30 independent producers in Wales. Those companies mostly work for broadcasters in Wales, including the BBC, ITV Wales and, primarily, S4C. I endorse what John McVay said on the relationship between broadcasters and independent companies, but also on Wales's position in terms of commissioning for a British network.

PACT has undertaken a very important piece of work and we refer to it in our written evidence. TAC endorses many concerns raised in that paper. There is an overlap in terms of our aspirations and those of PACT. There is a strong link there. TAC represents producers in Wales. Historically, TAC was established at the same time as S4C, as a voice for the independent sector in the context of S4C. Our remit has grown. We represent our members in negotiations with the BBC and ITV, but we also have a broader role in nurturing the sector, particularly in terms of its relationship with network broadcasters and so on.

[130] **Mr Rhys:** Ron Jones mentioned the landscape of the 1980s and 1990s and how that has changed. TAC also needs to change. The body's title is now old-fashioned. TAC stands for *Teledwyr Annibynnol Cymru*, but what are '*teledwyr*' today? Our members create content, not only television programmes. Therefore, we are in the process of change as well.

Paul Davies: I will concentrate on Ofcom's work to begin with. As an organisation, you do not favour any of the models in the consultation, but do you believe that the four models represent certain risks for independent producers?

Mr Owain: Certainly, a risk is attached to every model, and perhaps the biggest risk is to do nothing. That is the biggest risk in the first model. I endorse strongly what Ron said

ddywedodd Ron yn gynharach. Y peth pwysig, yn sicr i ni ac i'r cwmnïau yr ydym yn eu cynrychioli, yw Cymreigio'r modelau hynny, a'u gwneud yn berthnasol i'r diwydiant, yn enwedig yn y sector annibynnol yng Nghymru—a bod yn blwyfol am funud—ac, yn ehangach, i gynnwys elfennau gwleidyddol a democrataidd. Mae elfen economaidd gref i hyn hefyd ym mha fodel bynnag fydd yn berthnasol i Gymru yn y dyfodol. Yn sicr, mae gan y pwyllgor hwn, neu beth bynnag fydd yn ei ddilyn, rôl eithriadol o bwysig i sicrhau bod ein buddiannau yn cael eu hadlewyrchu mewn unrhyw fodel posibl yn y dyfodol.

[133] **Paul Davies:** A oes model arbennig yr hoffech chi ei gyflwyno?

[134] **Mr Owain:** Na, nid wyf yn meddwl ei fod o fewn ein maes llafur fel cymdeithas fasnach i argymhell unrhyw fodel posibl yn y dyfodol. Mae rhai egwyddorion sylfaenol yr ydym yn credu'n gryf iawn ynddynt, a byddem am gael plwraliaeth o gyrff neu o leisiau ar gyfer cynnwys darlledu sector cyhoeddus yn y dyfodol yng Nghymru. Mae'n bwysig bod hwnnw'n cael ei yrru gan y syniad o gystadleuaeth greadigol, economaidd a masnachol o ran sut ydym yn cyflenwi ein hanghenion PSB yng Nghymru. Mae model 4 yn ymddangos yn gyffrous, ond ni wn ai dyna'r ffordd orau ymlaen ar gyfer diwallu'r anghenion hyn yn y dyfodol. Rhaid i ni edrych ar hynny'n agos ac yn ofalus dros y blynyddoedd nesaf.

[135] **Paul Davies:** Yn dilyn eich sylwadau yn gynharach, a hoffech weld y cyfrifoldeb a'r rheolaeth yn cael eu datganoli i Gymru?

[136] **Mr Owain:** Credaf fod hynny'n anochel. Os ydym am greu dyfodol hirdymor i ddarlledu, i wasanaethau darlledu cyhoeddus, a darlledu mwy masnachol yng Nghymru, credaf fod yn rhaid i hynny ddigwydd, ond nid oes gennym y llwybr na'r amserlen ar gyfer hynny. Bydd angen ystyriaeth ehangach, a bydd datblygiad datganoli yn gyffredinol yn llywio hynny. Nid oes polisi penodol gennym ynglŷn â sut hoffem weld hyn yn digwydd, ond credaf mai dyna fydd yn digwydd.

[137] **Paul Davies:** A fyddai hynny'n cael

earlier. The important thing, certainly for us and for the companies that we represent, is to make these models to Wales more and to make them more relevant to the industry particularly in the independent sector in Wales—if I may be parochial for a moment—and, furthermore, to include political and democratic elements. There is a strong economic element to this as well, regardless of which model is relevant to Wales in the future. Certainly, this committee, or whatever follows it, has an extremely important role to play in ensuring that our interests are reflected in any possible model for the future.

Paul Davies: Is there a specific model that you would like to put forward?

Mr Owain: No, I do not think that it is within our remit as a commercial company to prescribe any possible model for the future. There are some fundamental principles that we believe in strongly, and we would want a plurality of bodies or voices to decide on public service broadcasting content in Wales for the future. It is important that that is driven by the idea of commercial, economic and creative competition as regards the way in which we supply the public service broadcasting needs of Wales. Model 4 seems to be exciting, but I am not sure whether that is the best way forward on fulfilling these needs for the future. We will have to consider that with great care and detail over the next few years.

Paul Davies: Given your earlier comments, would you like to see the responsibility and management being devolved to Wales?

Mr Owain: I believe that that is inevitable. If we want to create a long-term future for broadcasting, public service broadcasting and for more commercial broadcasting in Wales, I believe that that has to happen, but we do not have the route or the timetable for that. That is a matter for wider consideration, and the development of devolution in general will drive that. We do not have a specific policy on how we would like that to happen, but I believe that that is what will happen.

Paul Davies: Would that have a positive

effaith bositif ar y sector annibynnol?

[138] **Mr Rhys:** Nid wyf yn siŵr a fyddai hynny'n cael effaith negyddol ar y sector. Credaf y byddai'n croesawu'r cyfle i ddod i drafod gyda chorff fel hwn yn amlach, er mwyn esbonio'i bryderon a'i obeithion. Byddai hynny'n dod â phethau'n agosach at y gynulleidfa, neu at bwy bynnag sy'n defnyddio'r cynnwys, a byddai hynny'n beth da. Byddai'n golygu bod corff fel y Cynulliad a'r sector yn medru rhannu'r un weledigaeth, ac yn medru dysgu oddi wrth ei gilydd. Ni welaf ddim nad yw'n bositif yn hynny.

[139] **Mr Owain:** Mae coleg darlledu yn y Deyrnas Gyfunol yn ei chyfanrwydd ar hyn o bryd yn golygu bod rhesymau ymarferol pam na fedr hyn ddigwydd yn gyflym. Yn sicr, cwestiwn amlwg i ni fyddai sut y gallwn warchod y buddsoddiad yn y tymor byr a phe bai darlledu yn cael ei ddatganoli, felly mae ystyriaethau manwl i ni.

3.00 p.m.

[140] Yr ydym ni, a'r cyfranwyr eraill heddiw, yn credu bod datganoli darlledu yn anochel. Mae'n anomali llwyr ar hyn o bryd nad yw darlledu wedi ei ddatganoli. Fodd bynnag, mae grymoedd gwleidyddol ac economaidd mwy yn effeithio ar ein haelodau ni yn uniongyrchol, a byddant yn dylanwadu ar hynny.

[141] **Peter Black:** I notice from your paper that you consider that the current requirement for ITV news and non-news hours should be retained. Do you think that ITV has the financial ability to continue with its non-news obligations, and, if not, how do you envisage that being paid for?

[142] **Mr Owain:** The simple answer to that is that, in the short to medium term, it probably does not have the financial resources. ITV as a company is in a difficult position, financially. That is driven by something that is beyond just that PSB obligation that Ofcom would enforce on it. However, currently, according to our estimation, it managed to satisfy that PSB requirement at a relatively low financial cost. We estimate that it spends around £1.5 million on procuring content from the independent sector. That goes a long way towards satisfying that PSB requirement. It is currently four hours a week, but is set to decrease to three hours a week, I believe, in 2009. I think that ITV should be pressed hard to continue satisfying the PSB requirement in Wales.

[143] Let us not forget exactly what ITV has had over the many years of its existence, particularly considering the public asset that it held in the analogue world. I believe that it was Lew Grade who said that holding an ITV franchise was a licence to print money. There was a simple reason for that: it owned the monopoly on the sale of television advertising. I would ask this committee, in its response to Ofcom, to urge Ofcom to be slightly more hawkish as to

effect on the independent sector?

Mr Rhys: I am not sure whether it would have a negative effect on the sector. I think that it would welcome the opportunity to come before a body such as this more often, to outline its concerns and its aspirations. That would bring things closer to the audience, or whoever uses our content, and that would be a good thing. It would mean that a body such as the Assembly and the sector could share the same vision, and could learn from each other. I can see nothing but positives in that.

Mr Owain: The broadcasting college in the United Kingdom as a whole at the moment means that there are practical reasons why this cannot happen quickly. Certainly, the obvious question for us would be how to protect the investment in the short term and if broadcasting were devolved, so there are detailed considerations for us.

We, and the other contributors today, believe that devolving broadcasting is inevitable. It is a total anomaly at present as that broadcasting is not devolved. However, larger political and economic forces have a direct impact on our members, and will also have an influence in that regard.

how ITV satisfies its news and non-news requirement, but specifically in the context of our sector than on news requirement hours. I would call for a dialogue between Ofcom, and possibly the Assembly, to try to ensure that that requirement is kept and is not reduced any further. There are economic and cultural reasons as to why we should be doing that.

[144] **Mr Rhys:** Part of the problem as well is that ITV centrally does not wish to see the regional hours continue, because—and this is not an attack on ITV regionally; you have heard others saying the same this afternoon—they are a nuisance to the schedule, and ITV considers it as a non-profit-making, or low-profit-making, part of the business. So, we have to fight ITV centrally to keep the political will to make programming in the regions.

[145] **Mr Owain:** I would add to that that I do not think that the PSB requirement on ITV should be relaxed in any way, until there is a suitable alternative to ensure plurality of PSB supply in Wales. I can understand ITV's situation centrally, and Ron Jones expanded on that earlier. It is in a tight situation, financially, and there are pressures bearing down on it. However, there are larger considerations here that should inform our view.

[146] **Alun Davies:** May I press you on that? On the one hand, you say that Ofcom should be more hawkish, but, on the other, you accept that the current situation is not financially sustainable. Those two positions are entirely different. You cannot expect a regulator to say to a public limited company, 'You have to do something that we accept is financially unsustainable'. It is wholly unreasonable for Ofcom to make those sorts of demands.

[147] **Mr Owain:** ITV is still in possession of some public assets. For example, until the digital switchover, it will still be in possession of the position on the analogue spectrum. It also gets its position on the electronic programme guide. There are many factors there that should come into play. I appreciate the situation that ITV finds itself in, as a public limited company, but there is still a discussion to be had between Ofcom and ITV about the supply of PSB in Wales—and, extrapolating from that, also regionally throughout the UK, but our concern is obviously what happens in Wales. ITV is still benefiting from pretty significant publicly owned assets.

[148] **Alun Davies:** And those assets will come to an end in two years' time.

[149] **Mr Owain:** Absolutely. There will then be an opportunity to look at what other models we can use to ensure the long-term continuation of plurality in the supply of PSB.

[150] **Mr Rhys:** A paper also needs to be prepared on the popularity of these regional programmes, because I think that one would be surprised at their popularity, and there may be a stronger commercial argument for these programmes than has been referred to previously. I know for a fact that ITV Wales regional, opt-out programmes outperform the networks in the same slots, and yet they are not given as much credence or value as ITV prepares future policies. There are times in Wales when you have regional opt-outs on BBC Wales and ITV at the same time, which is nonsense if you put the needs of the viewer first, but both those opt-out programmes perform very well in the schedule. So, there is a huge demand for this sort of programming, and I sometimes think that ITV, centrally, has not looked at its commercial value in full.

[151] **Alun Davies:** I am sure that we will put that to Michael Grade at the appropriate time.

[152] **Nerys Evans:** Bu ichi sôn am y **Nerys Evans:** You mentioned that you ffaith eich bod yn cynrychioli mwy na 30 o represent more than 30 companies. Has that gwmmioedd. A yw'r nifer honno wedi number reduced over the years? You also gostwng dros y blynyddoedd? Bu ichi hefyd referred to S4C's policies on trying to get

sôn am bolisiâu S4C o ran ceisio cael cwmnïau i ddod at ei gilydd. A yw hynny'n fuddiol i ddatblygiad y sector, ac a yw'n ei wneud yn fwy cystadleuol?

[153] **Mr Owain:** Mae'r rheiny yn gwestiynau pellgyrhaeddol am y sector annibynnol. Teg yw dweud bod llai o gwmnïau erbyn hyn. Ar ddechrau'r 1990au, yr oedd TAC yn cynrychioli mwy na 80 o gwmnïau. Yn sicr, mae proses o gyfuno wedi digwydd o fewn y sector annibynnol, ac fe ehangodd John McVay ar hynny'n gynharach.

[154] O gofio sut y mae'r sector annibynnol yn gweithio, mae'n bwysig nodi ei fod yn anodd cynnig unrhyw bolisi neu unrhyw ymyrraeth dda yn y sector hwn. Bu'n bryder i TAC dros y flwyddyn ddiwethaf neu ddwy, neu'n hirach, efallai, fod polisiâu comisiynu S4C wedi arwain cwmnïau i uno. Ar hyn o bryd, yr ydym yn trafod dogfen fasnach deg S4C a fydd, gobeithiwn, yn goleuo'r berthynas rhwng y sector annibynnol a darlledwyr y dyfodol. Un peth y byddwn yn ei ystyried o ran hynny yw rôl S4C yn y farchnad honno. Efallai ei bod yn rôl rhy weithredol; ni wyddom. Mae'r cwestiynau hyn yn aml yn fater o farn.

[155] Pwysleisiaf fod lle hefyd i'r Cynulliad ofyn am y rôl y mae ei bolisiâu wedi ei chwarae o ran y neges sydd wedi'i chyfleu i'r sector. A yw agwedd y Cynulliad wedi bod yn iawn o ran sicrhau cystadleurwydd, a sicrhau bod sefyllfa y sector annibynnol yn cryfhau yn yr hirdymor?

3.10 p.m.

[156] **Alun Davies:** Yr ydym wedi clywed a thrafod y ffaith bod dros £110 miliwn yn cael ei wario ar gomisiynu rhaglenni Cymraeg a bod llawer llai—a bydd llai—yn cael ei wario ar raglenni Saesneg o Gymru yng Nghymru. A ydych chi'n meddwl bod hynny'n deg?

[157] **Mr Owain:** Mae'n anochel, yn arbennig os ydych yn edrych ar sefyllfa ITV, y bydd llai o arian yn cael ei wario ar raglenni'r sector annibynnol yn y dyfodol. Fel Cymry, os ydym yn gwerthfawrogi bod

companies to come together. Is that beneficial to the development of the sector, and does it make it more competitive?

Mr Owain: Those are very far-reaching questions about the voluntary sector. It is fair to say there are fewer companies these days. At the beginning of the 1990s, TAC represented more than 80 companies. There has certainly been a process of consolidation within the independent sector, and John McVay expanded on that earlier.

Given how the independent sector works, it is important to bear in mind that it is difficult to come up with any policy or any good intervention in this sector. It has been a concern for TAC over the past year or two, or longer perhaps, that S4C's commissioning policies have led to companies merging. At present, we are discussing S4C's document on fair trade, which will, we hope, inform the relationship between the independent sector and future broadcasters. One thing that we will consider in that is S4C's role in that market. Perhaps it is too much of an operational role; we do not know. These questions are often a matter of opinion.

I stress that there is also scope for the Assembly to ask about the role that its policies have played as regards the message conveyed to the sector. Has the Assembly had the right attitude to ensuring competitiveness, and ensuring that the independent sector is stronger in the long term?

Alun Davies: We have heard and discussed the fact that over £110 million is being spent on the commissioning of Welsh-language programmes, whereas much less is—and there will be less—being spent on English-language programming from Wales in Wales. Do you think that that is fair?

Mr Owain: It is inevitable, particularly if you look at ITV's situation, that less money will be spent on programmes from the independent sector in the future. As Welsh people, if we appreciate that there is a non-

diwylliant Cymreig di-Gymraeg, ac mae achos cryf i awgrymu bod yn rhaid inni, dylid cynnal trafodaeth ynglŷn â beth yw'r ateb i adlewyrchu'r Gymru ddi-Gymraeg hefyd. Mae honno yn drafodaeth i'r hirdymor yn fwy. Pan ydych yn edrych ar faint sy'n cael ei wario ar raglenni Cymraeg o'i gymharu â rhaglenni di-Gymraeg, cofiwch fod S4C yn rhwym i ddiwallu'r anghenion ar gyfer pob math o raglen drwy gyfrwng y Gymraeg, pan mai'r unig ofyn ar ITV yn y gorffennol a'r BBC ar hyn o bryd yw adlewyrchu Cymru neu sicrhau bod rhaglenni Cymreig yn Saesneg yn cael eu darlledu. Mae gofyn i S4C ddiwallu anghenion ehangach o ran rhaglenni Cymraeg, er enghraifft, cymharol ychydig o raglenni adloniant Cymreig yn Saesneg sydd yn bodoli, oherwydd bod yr angen hwnnw yn cael ei ddiwallu gan y rhwydweithiau Prydeinig.

[158] **Alun Davies:** Yr wyf yn anghytuno ei fod yn drafodaeth tymor hir, achos bydd y newid i ddigidol yn digwydd o fewn dwy flynedd, a bydd lleihad yn faint o gynnwys o Gymru a fydd ar ein sgriniau ar ITV. Mae hyn yn digwydd ar hyn o bryd, felly nid oes gennym yr amser i'w drafod am sawl blwyddyn, mae'n rhaid inni wneud penderfyniadau yn awr. Ar hyn o bryd, mae'r 80 y cant o Gymry nad ydynt yn siarad Cymraeg yn mynd i gael llai o wasanaeth cyhoeddus ar y teledu neu ar y radio yn ystod y blynyddoedd nesaf. A ydych yn dweud bod hynny'n anochel ac nad oes dim y gallwn wneud yn ei gylch?

[159] **Mr Rhys:** Mae ein papur yn glir ein bod yn gweld y torri ar y gofod hwn—mae'n rhaid i chi gofio hefyd bod y rhan fwyaf o'n haelodau yn darparu rhaglenni yn Saesneg yn ogystal â Chymraeg—yn enwedig, ar hyn o bryd, mewn rhaglenni rhanbarthol ITV—fel gwarth ar ITV ac arnom ni fel cenedl am ganiatáu iddo ddigwydd. I fynd yn ôl at eich pwynt cychwynnol am wariant, mae'n rhaid i chi gysylltu gwariant gyda gofod. Gyda chyn lleied o ofod, a'r gofod hwnnw ar gyfer rhaglenni yn yr iaith Saesneg yn crebachu, mae'n anochel bod y gwariant arnynt yn llai, tra bod gofod S4C wedi ymestyn.

[160] **Mr Owain:** Efallai nad ydym wedi bod yn glir. Ein hateb yn y tymor byr i'r tymor canolig yw cryfhau, trefnu a chadw'r

Welsh-speaking Welsh culture, and there is a strong case for our doing so, we should have a discussion about how to reflect non-Welsh-speaking Wales too. However, that is a longer-term discussion. When you look at how much is spent on Welsh-language programmes compared with non-Welsh-language programmes, remember that S4C has a remit to meet the requirement for all kinds of programmes in Welsh, whereas ITV, in the past, and BBC, at present, are only required to reflect Wales or ensure that Welsh programmes in English are broadcast. S4C has a broader remit in terms of its Welsh-language provision, for example, there are relatively few light entertainment Welsh programmes in English, because that need is met by the British networks.

Alun Davies: I disagree with the statement that it is a long-term discussion, because the digital switchover will happen in two years' time, and there will be a reduction in the amount of Welsh content that will be on our screens on ITV. This is happening now, so there is no time to discuss it over several years; decisions must be taken now. At present, 80 per cent of Welsh people, who do not speak Welsh, will receive less public service broadcasting on television or on the radio over the next few years. Are you saying that that is inevitable, and that there is nothing that we can do about it?

Mr Rhys: Our paper is clear that we see this reduction in space—you must also remember that most of our members provide programmes in English as well as in Welsh—particularly, at the moment, in regional programming on ITV—as shameful for ITV and for us as a nation for allowing it to happen. To return to your initial point about expenditure, you must link expenditure with the space available. With so little space, and with the space available for English-language programming shrinking, it is inevitable that expenditure on it will be less, while S4C's space has expanded.

Mr Owain: We may not have been entirely clear. Our solution for the short to medium term is to strengthen, manage and retain the

sefyllfa gydag ITV yn bresennol. Fodd bynnag, os ydym am gael ateb tymor hir i'r cwestiwn o gynnig rhaglenni Cymreig yn yr iaith Saesneg, mae hynny tu hwnt i sefyllfa ITV yn bresennol, ac yn gwestiwn ehangach a mwy cyffredinol ynglŷn â darlledu gwasanaeth cyhoeddus. Felly, i fynd yn ôl at yr hyn a ddywedwyd yn gynharach, mae'n rhaid i ni benderfynu pa gynnwys yr ydym ei eisiau a pha gynnwys yr ydym ei angen, a dylunio'r atebion o'r pwynt hwnnw.

[161] **Alun Davies:** Pan ydych yn sôn am y lluosogrwydd a ddylai fodoli—soniasoch yn arbennig am y newyddion—nid yw'n glir yn eich adroddiad ysgrifenedig, ond yr wyf yn cymryd eich bod yn credu ei bod yn bwysig cael lluosogrwydd o ran darpariaeth cyfrwng Cymraeg. Ar hyn o bryd, dim ond y BBC sy'n cynhyrchu newyddion drwy gyfrwng y Gymraeg.

[162] **Mr Rhys:** Credaf fod angen hynny yn y ddwy iaith.

[163] **Alun Davies:** Felly, hoffech weld mwy o luosogrwydd yn y Gymraeg hefyd.

[164] **Mr Rhys:** Hoffwn.

[165] **Alun Davies:** Diolch yn fawr am hynny. A yw'r cwmnïau sy'n aelodau o PACT yn cystadlu ar lefel Prydeinig am gomisiynau o'r darlledwyr mawr Prydeinig? Bu inni glywed gan PACT bod problem ddiwylliannol. Dywedwyd fod comisiynwyr yn Llundain ddim yn fodlon comisiynu rhaglenni o Gymru am resymau oedd yn fwy diwylliannol nag economaidd, efallai. Beth yw eich profiad chi?

[166] **Mr Rhys:** Bu ichi gyfeirio ynghynt at agwedd Channel 4, yn enwedig yn y dyddiau cynnar, lle cymerodd yr agwedd, 'Mae S4C yn bodoli, felly nid oes angen i ni gomisiynu cwmnïau yng Nghymru'. Credaf ein bod wedi dioddef oherwydd hynny o'r cychwyn. Ar y llaw arall, credaf fod y sector annibynnol yng Nghymru—sy'n sector ifanc—wedi newid dros y ddwy neu dair blynedd diwethaf. Mae cwmnïau mwy uchelgeisiol, ac mae dyheadau i gael llais uwch ar lefel Prydeinig ac Ewropeaidd. Yn y dyddiau cynnar, ni fyddai'r sector wedi gwthio yn rhy blaenllaw i gael llais ar y

current situation with ITV. However, if we want a long-term solution to the question of providing Welsh programmes through the medium of English, that goes beyond the current situation with ITV. It is a broader and more general question about public service broadcasting. So, to return to what was said earlier, we must decide what content we want and what content we need, and design our solutions from that point.

Alun Davies: When you talk about the plurality that should exist—you mentioned news in particular—it is not clear in your written report, but I take it that you think that it is important to have plurality in Welsh-language provision. At the moment, only the BBC produces news through the medium of Welsh.

Mr Rhys: I believe that it is necessary in both languages.

Alun Davies: Therefore, you would also like to see plurality in Welsh.

Mr Rhys: Yes, I would.

Alun Davies: Thank you very much for that. Do the companies that are members of PACT compete on the British level for commissions from the large British broadcasters? We heard from PACT that there is a cultural problem. It said that commissioners in London are not prepared to commission programmes from Wales for reasons that are more cultural than economic, perhaps. What is your experience?

Mr Rhys: You referred earlier to the attitude of Channel 4, particularly in the early days, when it took the attitude, 'S4C exists, therefore there is no need for us to commission companies in Wales'. I believe that we suffered as a result of that from the beginning. On the other hand, I believe that the independent sector in Wales—which is a young sector—has changed over the last two or three years. There are more ambitious companies, and there are aspirations to have a louder voice at the British and European levels. In the early days, the sector would not have fought very hard to have its voice heard

rhwydweithiau. Mewn cyd-destun y rhwydweithiau, gwn fod y darlledwyr yn Lloegr a'r Alban wedi bod yn defnyddio eu horiau rhanbarthol fel modd, dros y blynyddoedd, i greu peilot o raglen oedd wedyn yn cael ei ddangos ar y rhwydwaith. Nid yw hynny erioed wedi digwydd yng Nghymru. Nid yw ITV Cymru na BBC Cymru erioed wedi defnyddio'r oriau yn y modd hwnnw. Felly, nid yw'r sector wedi cael cyfle i addysgu ei hunain am anghenion rhaglenni ar y rhwydwaith.

[167] Felly, mae dau beth yn digwydd yma. Mae'r sector wedi bod yn araf, ond, yn y blynyddoedd diwethaf, mae wedi dechrau tyfu i fyny ac aeddfedu. Serch hynny, mae'n dalcen caled oherwydd bod agwedd yn Llundain bod digon o arian yng Nghymru, felly nad oes angen y gefnogaeth ar gynhyrchwyr yma. Nid wyf am fynd yn ôl i'r sefyllfa lle yr oedd, er enghraifft, Karl Francis, bob dwy neu dair blynedd, yn cyhuddo Channel 4 o fod yn erbyn y Cymry yn llwyr, ond mae hi wedi bod yn dalcen caled a gwn fod agwedd yn bodoli sydd wedi brwydro yn erbyn lleisiau o Gymru.

[168] **Mr Owain:** Mae dwy agwedd i hyn. Yn gyntaf, mae'r agwedd ddiwylliannol, sef pwysigrwydd adlewyrchu Cymru a bywyd Cymry ar y rhwydweithiau Prydeinig. Mae hefyd agwedd o ran buddsoddiad cyhoeddus, yn arbennig pan drafodwn y BBC a Channel 4. Mae sawl gwahanol bolisi wedi cael eu trio gan y darlledwyr ac asiantaethau yng Nghymru a rhanbarthau Lloegr. Nid yw'n broblem i Gymru yn unig. Mae'n broblem yn yr Alban a rhanbarthau Lloegr. Efallai gall unrhyw bwyllgor sy'n dilyn y pwyllgor hwn weld hwn fel nod polisi tymor hir. Mae'r strategaeth diwydiannau creadigol wedi nodi'r diffyg hwn yng Nghymru o fynediad at y rhwydweithiau Prydeinig. Credaf ei fod yn fater o ddeialog tymor hir, efallai rhwng y Cynulliad—ar yr ochr economaidd a diwylliannol—Ofcom, a'r darlledwyr er mwyn gweld sut medrwn feithrin sector sy'n gallu cystadlu am gomisiynau rhwydwaith yn gyson.

[169] **Mr Rhys:** Mae rôl i'r BBC yn hynny hefyd. Bu i John gyfeirio ynghynt at y syniad o *warehousing*, neu ddanfôn syniadau neu raglenni o ranbarth arall a'u gwneud nhw

on the networks. In the context of the networks, we know that broadcasters in England and Scotland have been using their regional hours as a way, over the years, of creating a pilot episode of a programme that was then shown on the network. That has never happened in Wales. ITV Wales and BBC Wales have never used those hours in that way. Therefore, the sector has not had the opportunity to teach itself about the needs of network programmes.

Therefore, there are two things happening here. The sector has been slow, but, in recent years, it has begun to grow up and mature. Despite that, it has been an uphill struggle, because the attitude in London was that there was enough money in Wales, therefore the producers here do not need support. I do not want to return to a situation where, for example, Karl Francis, every two or three years, would accuse Channel 4 of being completely against Welsh people, but it has been an uphill struggle and I know that there has been an adversarial attitude towards voices from Wales.

Mr Owain: There are two aspects to this. First, there is the cultural aspect, namely the importance of reflecting Wales and the lives of Welsh people on the British networks. There is also the aspect relating to public investment, particularly when we discuss the BBC and Channel 4. A number of different policies have been attempted by the broadcasters and agencies in Wales and English regions. It is not just a Welsh problem. It is a problem in Scotland and in the regions of England. Perhaps any committee that follows this one could see it as a long-term policy objective. The creative industries strategy has noted the deficiency in Wales with regard to access to the British networks. I believe that this is a matter for long-term dialogue, perhaps between the Assembly—on the economic and cultural side—Ofcom, and the broadcasters in order to see how we can develop a sector that can compete regularly for network commissions.

Mr Rhys: There is also a role for the BBC in that. John referred earlier to the idea of *warehousing*, or sending ideas or programme from another region and making them in a

mewn rhanbarth er mwyn dod â'r ffigurau i fyny. Yn sicr, yr ydym wedi dioddef yng Nghymru oherwydd hynny.

certain region in order to increase the figures. We have certainly suffered as a result of that in Wales.

3.20 p.m.

[170] Yr oedd BBC Cymru, tan yn ddiweddar iawn, yn ganolfan rhagoriaeth o ran rhaglenni cerddorol, ond yr unig beth oedd yn digwydd oedd ei fod yn cymryd syniadau o Lundain ac yn gofyn i un neu ddau o gynhyrchwyr o Landaf i fod ynghlwm â'r prosiectau. Nid oedd hyd yn oed unrhyw fudd economaidd i Gymru achos yr oedd y rhaglenni'n cael eu gwneud mewn rhannau eraill o Brydain. Yr ydych wedi cyfeirio eisoes at *Doctor Who* ac yr wyf yn meddwl bod angen gofyn cwestiynau difrifol i'r BBC o ran faint o les diwylliannol mae'r gyfres honno wedi dod i Gymru. Os rhywbeth, y mae wedi blocio lleisiau o Gymru o ran cyfrannu at ddrama. Mae hefyd angen gofyn cwestiwn ynglŷn â faint o fudd economaidd a ddaeth yn ei sgil. Fel TAC, yr ydym yn aml yn gweld pobl dalentog o Gymru nad ydynt yn cael cyfleoedd i weithio ar y prosiectau hyn, tra bod y prif gyfranwyr yn dod dros y bont i wneud y rhaglenni yng Nghymru. Eto, mae BBC Cymru yn datgan ei fod yn llwyddiant ysgubol i'r BBC yng Nghymru.

Until very recently, BBC Wales was a centre of excellence for music programmes, but all that used to happen was that it took ideas from London and asked one or two producers from Llandaff to be involved with the projects. There was not even any economic benefit to Wales because the programmes were made in other parts of Britain. You have already referred to *Doctor Who* and I think that serious questions need to be asked of the BBC about how much cultural benefit that series has brought to Wales. If anything, it has prevented voices from Wales from contributing to drama. There is also a need to ask questions about how much economic benefit has been derived from it. As TAC, we often see talented people from Wales who are not given opportunities to work on these projects, while the main contributors come over the bridge to make the programmes in Wales. Again, BBC Wales declares that it is a huge success for the BBC in Wales.

[171] **Alun Davies:** Buaswn yn gwerthfawrogi nodyn ysgrifenedig ar hynny, os yw hynny'n digwydd. Mae'n amlwg bod y BBC yn gweld *Doctor Who* fel llwyddiant mawr. Y mae'n llwyddiant ar y sgrin, wrth gwrs, ond os mai canlyniad y llwyddiant hwnnw yw disodli pobl sydd am weithio yng Nghymru ac sydd wedi bod yn gweithio yma, ond sy'n awr yn methu gwneud hynny, buasai diddordeb mawr gennym mewn clywed am hynny. Buaswn yn gwerthfawrogi nodyn ysgrifenedig felly.

Alun Davies: I would appreciate a written note on that, if that is happening. The BBC obviously sees *Doctor Who* as a great success. It is a success on the screen, of course, but if the result of that success is the displacement of people who want to work in Wales and who have been working here, but who now cannot do so, we would be very interested in hearing about that. I would appreciate a written note therefore.

[172] **Mr Owain:** Os edrychwch yn ôl ar hanes y sector annibynnol dros y 10 neu'r 15 mlynedd diwethaf, gwelwch fod sawl darlledwr wedi ceisio ymateb i bethau fel cwtâu rhanbarthol ac yn y blaen mewn rhyw ffordd—yr wyf yn meddwl yn benodol yn awr am Channel 4 a'r BBC, ond y mae ITV wedi ceisio hefyd, gyda'i gronfa cynhyrchu rhanbarthol. Y gwir amdani yw, wedi mwy na 10 mlynedd o'r math hwn o brosiectau'n digwydd, ychydig iawn o ranbarthau o'r

Mr Owain: If you look back at the history of the independent sector over the last 10 or 15 years, you will see that several broadcasters have tried to respond to things such as regional quotas and so on in some way—I am thinking specifically about Channel 4 and the BBC, but ITV has also tried with its regional production fund. The truth of the matter is that after more than 10 years of these types of projects taking place, very few regions of the United Kingdom have had sustainable

Deyrnas Gyfunol sydd wedi cael llwyddiant cynaliadwy o ran mynediad at y rhwydwaith. Yn sicr, nid yw Cymru wedi llwyddo a chredaf mai Cymru sydd wedi llwyddo lleiaf o ran ennill mynediad at y rhwydweithiau. Yr argraff y mae rhywun yn ei gael yw bod ffordd rownd bob polisi. Mae'r hyn y cyfeiriodd Dafydd ato o ran Channel 4 a *warehousing* wedi bod yn broblematic iawn dros y blynyddoedd o ran caniatáu mynediad i gynhyrchwyr annibynnol o Gymru. Yn y pen draw, yr unig ffordd i sicrhau hyn yn yr hirdymor yw i gyrff fel y Cynulliad agor rhyw fath o ddeialog ac wedyn efallai edrych ar y sefyllfa bob blwyddyn. Efallai bod lle i wneud hynny. Credaf pe bai bod deialog go iawn yn cychwyn, byddai'n llawer anos i'r darlledwyr osgoi caniatáu mynediad teg ar gyfer gynhyrchwyr Cymreig. Yr wyf yn meddwl bod lle i nodi hynny.

[173] **Nerys Evans:** Ar y thema honno, a oes unrhyw fuddiannau i'r diwydiant o'r system bresennol o gwota cynhyrchu y tu allan i Lundain a beth yw cyfyngiadau'r system? A oes unrhyw ddull arall gennych mewn golwg yn lle'r system honno?

[174] **Mr Owain:** O ran y mentrau, buaswn i'n dweud, yn sicr o ran y sector yng Nghymru, ein bod wedi cael ein siomi dro ar ôl tro gan y ffordd y mae'r darlledwyr a'r rhwydwaith wedi ceisio creu rhyw fath o systemau, bolisiau neu wahanol fathau o fentrau i ganiatáu mynediad i gynhyrchwyr o Gymru at ddarlledu rhwydwaith. Bob tro y cyhoeddir un o'r mentrau hyn—maent yn cael eu cyhoeddi'n weddol aml—credaf fod cynhyrchwyr yng Nghymru braidd yn blasé erbyn hyn oherwydd er bod mentrau o'r fath yn arwain at lot o gyfarfodydd ac at gomisiynwyr yn dod i lawr am ddiwrnod ac yn y blaen, nid ydynt wedi arwain at unrhyw beth tymor hir, cynaliadwy i Gymru. Y ffordd ymlaen yw i'r Cynulliad weld fod problem i gynhyrchwyr yng Nghymru ac i agor dialog drwy Ofcom ac efallai drwy'r Llywodraeth yn Llundain a'r Adran dros Ddiwylliant, y Cyfrangau a Chwaraeon. Dylai'r dialog hwnnw fod yn un tymor hir; dyna'r unig ateb i'r problem.

[175] **Alun Davies:** Cyn i mi gau'r sesiwn hon, a ydych yn gwybod faint o gronfeydd datblygu rhanbarthol y BBC ac ITV sydd

success in terms of access to the network. Certainly, Wales has not succeeded and I think that Wales has succeeded least in terms of gaining access to the networks. The impression that one gets is that there is a way around every policy. What Dafydd referred to in terms of warehousing and Channel 4 has been very problematic over the years in terms of allowing access to independent producers from Wales. Ultimately, the only way of ensuring this in the long term is for organisations like the Assembly to begin some sort of dialogue and then, maybe, look at the situation every year. There may be a need to do that. I think that if a proper dialogue were begun, it would be much more difficult for broadcasters to avoid allowing fair access for Welsh producers. I think that there is a need to note that.

Nerys Evans: On that theme, are there any benefits to the industry from the current system of a quota for productions outside London and what are the system's restrictions? Do you have any other method in mind to replace that system?

Mr Owain: In terms of the initiatives, I would say, certainly in terms of the sector in Wales, that we have been disappointed time and again by the way in which broadcasters and the network have tried to create some sort of systems, policies or different kinds of initiatives to allow producers from Wales to access network broadcasting. Every time one of these initiatives is announced—and they are announced quite often—I think that producers in Wales are rather blasé about them because although such initiatives have led to a lot of meetings and to commissioners coming to visit for the day and so on, they have not led to anything long term or sustainable for Wales. The way forward is for the Assembly to see that there is a problem for producers in Wales and to open a dialogue through Ofcom and perhaps through the Government in London and the Department of Culture, Media and Sport. That should be a long-term dialogue; that is the only answer to the problem.

Alun Davies: Before I close this session, do you know how much of the BBC's and ITV's regional development funds have gone to

wedi mynd i aelodau TAC neu i'r sector annibynnol yng Nghymru? TAC members or to the independent sector in Wales?

[176] **Mr Rhys:** Yr wyf bron yn sicr, o ran ITV, nad oes unrhyw arian wedi mynd i aelodau TAC nac i gwmnïau yng Nghymru. O ran y BBC, mae un neu ddau o gwmnïau wedi derbyn arian i ddatblygu yn y maes drama — **Mr Rhys:** In terms of ITV, I am almost certain that no money has gone to TAC members or to companies in Wales. In terms of the BBC, one or two companies have received money to develop drama—

[177] **Mr Owain:** Yn y maes drama ac yn y maes dogfen. **Mr Owain:** In drama and in the documentary field.

[178] **Mr Rhys:** Nid wyf yn siŵr. **Mr Rhys:** I am not sure.

[179] **Mr Owain:** Gwn am un cwmni sydd wedi cael arian datblygu gan ITV, ond yr oedd hwnnw yn y maes drama. Nid oedd y cwmni hwnnw'n aelod o TAC, ond mae'n llwyddiant i Gymru. Cymharol isel, neu isel iawn yw'r arian yr ydym wedi ei dderbyn. **Mr Owain:** I know that one company has received development funding from ITV, but that was in the field of drama. That company was not a member of TAC, but it is a success for Wales. The amount of money that we have received from that is comparatively low or very low.

[180] **Alun Davies:** Byddem yn gwerthfawrogi nodyn ysgrifenedig ar hynny, os yn bosibl. **Alun Davies:** We would appreciate a written note on that, if possible.

[181] Diolch am eich amser a'ch parodrwydd i roi tystiolaeth i ni. Gwerthfawrogwn hynny'n fawr iawn. Dyna ddiwedd ein trafodion heddiw. Mae'r cyfarfod nesaf ar 28 Ebrill. Bydd Green Bay Media Cyf. a'r Sefydliad Materion Cymreig yn rhoi tystiolaeth yn y cyfarfod hwnnw. Thank you for your time and your willingness to give evidence. We greatly appreciate that. That is the end of our discussions today. The next meeting is on 28 April. Green Bay Media Ltd and the Institute of Welsh Affairs will be giving evidence at that meeting.

*Daeth y cyfarfod i ben am 3.27 p.m.
The meeting ended at 3.27 p.m.*