

Cofnod y Trafodion The Record of Proceedings

Y Pwyllgor Cymunedau, Cydraddoldeb a
Llywodraeth Leol

The Communities, Equality and Local
Government Committee

12/11/2015

Trawsgrifiadau'r Pwyllgor
Committee Transcripts



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

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from the Meeting

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn
ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

The proceedings are reported in the language in which they were spoken in
the committee. In addition, a transcription of the simultaneous interpretation
is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Peter Black	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Christine Chapman	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Alun Davies	Llafur Labour
Janet Finch–Saunders	Ceidwadwyr Cymreig Welsh Conservatives
Mike Hedges	Llafur Labour
Mark Isherwood	Ceidwadwyr Cymreig Welsh Conservatives
Bethan Jenkins	Plaid Cymru (yn dirprwyo ar ran Jocelyn Davies) The Party of Wales (substitute for Jocelyn Davies)
Gwyn R. Price	Llafur Labour
Rhodri Glyn Thomas	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Rona Fairhead	Cadeirydd, Ymddiriedolaeth y BBC Chairman, BBC Trust
Iestyn Garlick	Teledwyr Annibynnol Cymru
John McVay	Cynghrair y Cynhyrchwyr Sinema a Theledu Producers Alliance for Cinema and Television
Yr Athro/Professor Elan Closs Stephens	Ymddiriedolwr Cenedlaethol Cymru, Ymddiriedolaeth y BBC National Trustee for Wales, BBC Trust
Gareth Williams	Teledwyr Annibynnol Cymru

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Rhys Iorwerth	Y Gwasanaeth Ymchwil
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Research Service

Claire Morris

Clerc

Clerc

Sarah Sargent

Dirprwy Clerc

Deputy Clerk

Dechreuodd y cyfarfod am 09:02.

The meeting began at 09:02.

Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datganiadau o Fuddiant Introductions, Apologies, Substitutions and Declarations

[1] **Christine Chapman:** Good morning, everyone. Welcome to the Communities, Equality and Local Government Committee. We've had apologies this morning from Gwenda Thomas, and also from Jocelyn Davies and Bethan will substitute today. So, Bethan Jenkins, welcome.

Ymchwiliad i'r Adolygiad o Siarter y BBC: Sesiwn Dystiolaeth 3— Ymddiriedolaeth y BBC

Inquiry into the BBC Charter Review: Evidence Session 3—BBC Trust

[2] **Christine Chapman:** This is the third evidence session as part of our inquiry into the BBC charter review, and I would like to welcome our panel from the BBC Trust. I wonder whether you could introduce yourself for the record, please.

[3] **Ms Fairhead:** Yes. Hello. Good morning. My name is Rona Fairhead. I'm the chairman of the BBC Trust, and I became chairman just over a year ago, last October. And to my right is Elan, who I know is known to many of you, but if you'd like her to introduce herself for the record—it's over to you, Elan.

[4] **Yr Athro Stephens:** Diolch yn fawr iawn. Fy enw i yw Elan Closs Stephens. Rwy'n ymddiriedolwraig y BBC yng Nghymru ac yn eistedd ar yr ymddiriedolaeth o dan gadeiryddiaeth Rona. Ac ar un adeg, roeddwn i hefyd yn cadeirio S4C, ac felly yn gyfarwydd iawn â'r sianel hefyd.

Professor Stephens: Thank you very much. My name is Elan Closs Stephens. I am the BBC trustee for Wales and I am a member of the trust chaired by Rona. And at one time, I was also chair of S4C, and therefore I'm very familiar with S4C also.

[5] **Christine Chapman:** Diolch. Obviously, we've had a paper from you, and obviously Members will have read it so we'll go straight into questions. I just want to start off. The Welsh Government has called for a specific evaluation to be undertaken of what the BBC's obligations should be to Wales, separate to the charter review process. What is the trust's view on this?

[6] **Ms Fairhead:** The trust is trying to welcome as much public voice and as much input to the debate as possible, so, frankly, we welcome any input because we think it produces an informed outcome. And we've been quite clear as the trust that we're there as the representatives of the licence fee payers. We have been reaching out to everybody to ask them to reply to our consultation—over 40,000 have replied to the Department for Culture, Media and Sport—and to submit papers so that their voices are heard, and so we absolutely welcome it.

[7] **Christine Chapman:** Okay. So, you're very open to getting people's views.

[8] **Ms Fairhead:** Absolutely.

[9] **Professor Stephens:** Could I just add as well that yesterday there was a very good summit—I think you, Bethan, were there—done by the Institute of Welsh Affairs, and that involved a substantial audit of content. The BBC's contribution in Wales goes somewhat beyond content—it goes into employment, into the orchestra, into possibly a new broadcasting house, and so on. But, nevertheless, there was an audit done. So, I would imagine that that could also be a good foundation for any paper that was going in as part of this process.

[10] **Christine Chapman:** Yes, and I know that a number of Members and staff were able to get to the summit yesterday, so that was very positive. I just want—

[11] **Ms Fairhead:** And I can say that we've been trying to do seminars around the country; we came to Cardiff a few weeks ago. The IWA paper had just been reported on, so we were able to discuss with members of the public and other stakeholders any concerns they had, and where they would encourage us to focus. And, frankly, I've been really encouraged by both the amount of people wanting to contribute and the quality and sophistication of

the responses.

[12] **Christine Chapman:** Okay. Thank you. You suggested changing the wording of the BBC's public purpose relating to the nations and regions, so that the BBC has to, and I quote,

[13] 'provide content to meet the nations' needs rather than merely representing them'.

[14] Why have you suggested this wording, and what difference do you think it would make for Wales?

[15] **Ms Fairhead:** I'll start and then Elan maybe can add—. Starting right at the top with public purposes, we were trying to make sure that they were meaningful and that you could really measure them, because we think if there's that, then the public can have more confidence that they're getting done.

[16] In terms of the representation and portrayal, when we have gone around the country there has been recognition that the BBC has done more to get production and jobs more out of London—so, more than 50 per cent now out of London. The network supplier review has allowed more production and more jobs and skills to be outside London, and to be broad and more representative of the whole nation. But the role is to serve the whole nation, and the feedback we were getting in Wales, in Scotland, in Northern Ireland too and in some regions was: 'It's fine to create jobs here, but we want to be portrayed; we want to see ourselves.' When we did the public seminar, there was this real sense of an enrichment for the whole country if there was that portrayal. So, our hope would be that it would be not just jobs, which do matter, and production and facilities, but also a recognition that there has to be appropriate portrayal. And I mentioned this in a previous select committee at Westminster that, for example, in Northern Ireland the responsiveness to *The Fall*—I don't know if you saw the programme—was significant, because it was Northern Irish people—. It was a fictional story, but it was set and played out in Northern Ireland, and I think it's that sort of portrayal that we're trying to push the BBC to do and to embed it in the public purposes.

[17] **Christine Chapman:** Okay. Did you want to come in, Elan?

[18] **Yr Athro Stephens:** Dim ond i **Professor Stephens:** Just to add that

ychwanegu bod y BBC yn gwario £56 miliwn, rwy'n meddwl, yn Roath Lock ar y cynyrchiadau sydd yn dod yma. Felly, fel mae Rona wedi dweud, mae yna gyflogaeth sylweddol yma, ond mae yna hefyd sgiliau yn cael eu datblygu. A nawr ydy'r amser, rwy'n meddwl, i weld y sgiliau hynny yn cael eu cyflogi ar gyfer portread ohonom ni hefyd. Felly, rwy'n meddwl mai dyna'r pwynt amlycaf. Mae yna ddiffyg, rwy'n meddwl, yn cael ei gydnabod ar ochr drama ac ar ochr gomedi yn fwy arbennig, er bod comedi yn faes anodd i bob darlledwr.

the BBC does spend £56 million, I believe, in Roath Lock on the productions made there. So, as Rona has already said, there is significant employment here, but there are also skills developed. And now, I think, is the time to see those skills being employed to portray us, too. Therefore, I do think that that is the most prominent point here. There is a deficiency, I think, which has been acknowledged on the side of drama and comedy more particularly, although comedy is a very difficult area for all broadcasters.

[19] **Christine Chapman:** I've got a number of Members who want to come in. Before I do that, I know Rona's talked about meeting the nations' needs and you've given some examples. How difficult is it try to really assess that concept? How will you know when you've been successful at it? It's a bit open-ended in some respects.

[20] **Ms Fairhead:** I think it is genuinely open-ended. I think there was a good start on the network supplier review, which said that, broadly, there should be a similar percentage in terms of the contribution to the network supply from the regions. So, that's a sort of hard measure that's happened, so 6 per cent of network supply comes from Wales, which I think is absolutely appropriate. There has been investment here. Roath Lock is an example and the new centre in Central Square will be another. So, there's been investment, and that's all good.

[21] I think it's a softer thing now; I think it's about representation, portrayal and feeling connected and part—. It was interesting, when we were at this seminar here, as I said, a couple of weeks ago, that the sense really was: 'We've sort of got the foundation now.' The independent sector is building up, which is—a key part of what the BBC can do is build the creative industry. Now, it really is about using that and using it to enrich not just Wales, but the whole of the country, and to flow both ways. So, it's a difficult question to answer, because if I go to Scotland I get the same message, and there's only a certain budget. So, it will always be a struggle to make sure

you're doing enough. I think what we're trying to do as a trust is make sure that it's not just the hard elements, but that it's the softer portrayal/representation side that is acknowledged just as much. But if you ask me 'What does success look like?', I'm not sure we'll ever get to a stage where every single region and every single nation thinks it's absolutely perfect. I think we've just got to keep—keep challenging us.

[22] **Christine Chapman:** Thank you. Elan.

[23] **Professor Stephens:** I think it might be useful, because we take what we do for granted, almost, just to tell you how we measure at the moment. So, for example, with the public purposes, the trust has a rolling panel, and, I think twice a year, has an audit of whether people are satisfied with how we are fulfilling those public purposes. So, every half-year, we have a wake-up call about, for example, whether we're doing enough on citizenship. So, the question is: 'How important do you think that is?'—and very often it's, you know, nine out of 10—and then 'How well do you think we do it?' We keep track of the gap between the importance and what we fulfil. So, at the moment, that's one of the ways in which we measure. There's also an audience council here that I chair that has an annual report on the services of BBC Wales. I think, as we move forward, and especially with the Sir David Clementi review on governance, this is one area where we will be trying to tease out how best to be more accountable and more visible in the way that we look at Welsh services.

[24] **Ms Fairhead:** I'd just add two things. The good news for Wales is, if you actually look at the feedback that we do get from the audience, that the highest audience appreciation score across the country is in Wales and most viewing hours. So, there's a lot of support and, you know, recognition of what the BBC brings. The one area that keeps coming back is portrayal and representation. So, that's exactly why we've responded to it.

[25] The other thing I would say, in terms of the public purposes, is we've also asked that we start looking at the public purposes in terms of the way that the BBC is run, both as an organisation, but also how you see it as a consumer, which picks up the audience appreciation; what it does for you as a citizen; and also what it does for the economy. So, we're trying to find ways to measure more clearly what it is that the BBC as a public service broadcaster should be doing that is more measurable, because we think that will give a little bit more focus.

[26] **Christine Chapman:** I've got a number of Members who want to come in. I've got Gwyn first, then Bethan, Rhodri and then Alun.

[27] **Gwyn R. Price:** Good morning to you both. The trust says, in its response to the Green Paper, that

[28] 'representation of the devolved nations is a key issue that needs to be resolved as part of Charter Review.'

[29] How exactly does the trust think that this can be addressed?

09:15

[30] **Ms Fairhead:** I think we're doing some of the hard things. So, some of the things that we can do, essentially, as a regulator are to, sort of, set measures and track, and to make sure that areas of concern are highlighted. In terms of representation and portrayal, it really is the executives' role, because it's for them to decide what programmes are produced, how they're produced, how they're commissioned and how they schedule, and, therefore, part of what the challenge is is to make sure that the purposes and requirements that are set by the trust, as the regulating body, are challenging the BBC to manage in a way that meets that. I think this is one of the issues, being that the regulator, when you say, 'How are we going to do it?' the answer is, 'It's not us that has to do it, it's the BBC executive'. What we can do is put in place structures, processes and measures, highlight where it's not being done, and we have to hand it over to the BBC, who we ask to manage this organisation, to manage it in a way that meets those desires and objectives of the public.

[31] **Gwyn R. Price:** Okay. I have a question for Elan. You touched on Roath Lock and the drama there.

[32] **Professor Stephens:** Yes.

[33] **Gwyn R. Price:** I wonder if you could expand a little bit, because the committee has heard some criticisms that it's the major productions, but it doesn't touch the Welsh side of it.

[34] **Professor Stephens:** Yes. I think that's been the issue that we've tried to address before you. It is a major success as a production unit, but it's a UK production unit; we should be very proud of it. I think it's unfortunate to

have the idea that, somehow, it's a sort of cuckoo in the nest. It's a major employer, and more than that, a major provider of skills and expertise in all sorts of areas, such as costume, make-up, production, sets, et cetera. And, of course, there are also apprenticeships there. What I think is the next step is to ask how much of that production actually shows Cardiff bay, north Wales, mid Wales—the life of Welsh people. Of course, when you look at what does come out of Roath Lock—*Casualty*, *Pobol y Cwm*, of course, is a portrayal, but in the Welsh language; then, as part of the whole production unit, you've got *Sherlock* and the famous *Doctor Who*—we just have to make certain that we show Welsh life as well as helping employment.

[35] I would suggest, just in terms of the committee's interest, I don't know whether BBC Wales have given you this invitation, but if they invite you to go to Roath Lock, I strongly urge you to do so, because it's a major, major studio facility, the size of several football pitches, and insulated and soundproofed to a very high standard. So, please take the opportunity. But as I said, and as Rona said, it's the start, not the end.

[36] **Gwyn R. Price:** Right. So, you've taken it on board.

[37] **Professor Stephens:** Yes.

[38] **Gwyn R. Price:** Thank you very much.

[39] **Christine Chapman:** Thank you. Bethan.

[40] **Bethan Jenkins:** Rwyf i jest eisiau mynd yn ôl yn glou at beth roeddech chi'n ei ddweud ynglŷn â mesur yr hyn rydych chi'n ei wneud. Dros y blynyddoedd o fod yn gyfrifol am y briff yma i Blaid Cymru, rwyf i wedi clywed nifer fawr o feirniadaethau o'r ymddiriedolaeth ei hun, sef nad yw'r ymddiriedolaeth yn dwyn y BBC i gyfrif yn ddigon cryf. Fe wnes i siarad â rhywun sy'n aelod o'r cyngor gwylwyr ddoe a oedd yn dweud, er enghraifft, fod Tony Hall yn dod ac yn dweud bod yna broblemau, ac roedd James Purnell

Bethan Jenkins: I just want to go back quickly to what you were saying regarding measuring what you do. Over the years that I've been responsible for this brief for Plaid Cymru, I've heard a number of criticisms of the trust itself, namely that the trust doesn't hold the BBC to account robustly enough. I was speaking to somebody who was a member of the audience council yesterday, who said, for example, that Tony Hall comes and says there are problems, and James Purnell said yesterday that there was a need to

wedi dweud ddoe bod angen portreadu mwy o Gymru. Maen nhw'n dod i Gymru a gwneud yr areithiau hyn, ond nid oes dim byd yn newid yn hynny o beth; yn sicr, mae'n gwaethygu o ran cynnwys sydd yn portreadu Cymru.

[41] Felly, beth yn gwmws a ydych chi'n ei wneud fel ymddiriedolaeth wedyn? Os oes yna dracio sy'n dangos bod pethau'n ffael, sut ydych chi'n eu dwyn nhw i gyfrif i sicrhau, felly, fod gan wylwyr ffydd yn yr ymddiriedolaeth a'r ffaith eich bod chi yn gwneud eich gwaith yn effeithiol? Achos, weithiau, mae hynny'n cael ei gwestiynu yn y sector a gan bobl sy'n dod ataf i, fel Aelod Cynulliad.

[42] **Yr Athro Stephens:** Wel, rwy'n credu bod angen pwyllo ychydig bach ynglŷn â'r portread o'r BBC yn gyffredinol. Rwyf i wedi nodi dwy ardal, sef comedi a drama, lle mae yna ddiffygion, ond mae'n rhaid i ni hefyd gofio bod y newyddion rhanbarthol am 6.30 p.m. yn llwyddiant cryf iawn, ac yn rhaglen gref o ran y gwylwyr. Mae'r math o raglenni ffeithiol sydd wedi dod allan—. Pan rwy'n edrych jest yn ddiweddar iawn, iawn ar y rhaglen ar Nigel Owens, er enghraifft, a oedd wir yn cyffwrdd rhywun, ac, yn ôl beth rydw i'n ei ddeall, mae yna dros 0.5 miliwn nawr wedi'i lawrlwytho neu wedi gwranddo dros Brydain i gyd. Felly, mae'n rhaid i ni fod yn ofalus drwy ddweud bod y portread yma yn

portray more of Wales. They come to Wales and make these speeches, but nothing changes in that sense; certainly it's deteriorating in terms of content that is portraying Wales.

So, what exactly are you doing as a trust then? If tracking is happening and showing that things are failing, how do you hold them to account to ensure, therefore, that viewers have faith in the trust and the fact that you're doing your work effectively? Because, sometimes, that is questioned in the sector, and by people who come to me, as an Assembly Member.

Professor Stephens: Well, I think that we need to take a step back in terms of the portrayal of the BBC in general. I have noted two areas, namely comedy and drama, where there are weaknesses, but we must also bear in mind that the regional news at 6.30 p.m. is a very great success, and a very strong programme in terms of attracting viewers. The kinds of factual programmes that have been produced—. If I just look very, very recently at the programme on Nigel Owens, the referee, which was truly touching, and as far as I understand, over 0.5 million people have downloaded or have listened to that programme throughout the whole of the UK. So, we have to be very careful in saying that the portrayal is poor

gyfan gwbl wael; mae o'n wael mewn manau.

across the piece. That isn't the case; it's poor in certain areas.

[43] Mae yna ddau reswm am hynny, rwy'n meddwl. Mae yna ddiffyg wedi bod ar yr ochr gomisiynu. Am ryw reswm, nid yw'r syniadau wedi ffeindio eu ffordd drwodd. Ond, mae'n rhaid i ni hefyd ofyn i ni'n hunain a ydym ni'n barod i roi cwotâu ar syniadau, ynteu a fyddai'n well gennym ni adael y creadigrwydd i fod y peth pwysicaf. Yr ail beth ydy, weithiau, mae cyllideb yn broblem. Roedd yna ddrama o'r enw *The Indian Doctor* a oedd yn llwyddiannus iawn ac roedd o'n cael ei dangos ar y rhwydwaith yn ystod y dydd. Roeddem ni'n dŵad at gomisiynu, rwy'n creu, y drydedd gyfres ac mi oedd y gyllideb darlledu yn ystod y dydd wedi ei lleihau yn sylweddol; nid oedd modd cyllido drama yn ystod y dydd rhagor, felly mae honno'n syrthio. Felly, mae'n rhaid i ni, rwy'n meddwl, ofyn i'r BBC chwilio am ffyrdd cyson o gadw'r portread mewn cof wrth gomisiynu, a dyma, i mi, ydy'r gagendor sydd wedi digwydd.

There are two reasons for that, I think. There has been a deficiency in terms of commissioning. For some reason, the ideas haven't found their way through the system. We must also ask ourselves whether we are willing or ready to place quotas on ideas, or would we prefer to allow the creative process to come to the fore. The second thing is that, on occasion, budgets are a problem. There was a production called *The Indian Doctor* that was extremely successful and it was shown on the network during the daytime. We were coming to the commissioning, I think, of the third series and the budget for daytime broadcasting had been significantly cut, and it wasn't possible to fund daytime drama, so that was cut. I think we do have to ask the BBC to find consistent ways of keeping portrayal in mind as they commission programming and I think, for me, this is the gap that has opened.

[44] Nid wyf yn meddwl am eiliad—. Sori, jest i ailadrodd, rydw i yn meddwl bod yna bethau da iawn yn cael eu gwneud ac nad ydy'r peth mor dywyll ag y mae'n cael ei ddangos, ond mae yna ardaloedd penodol lle y mae angen gwneud mwy.

I don't think for one second—. Sorry, but if I could just reiterate one thing, I do think that there are some very positive things happening and that the picture isn't as dark as has been suggested, but there are specific areas where more does need to be done.

[45] **Bethan Jenkins:** Diolch. Nid wyf

Bethan Jenkins: Thank you. I'm not

yn dweud bod yna ddim byd yn digwydd, rwyf jest yn credu weithiau—. Rŷch chi'n dweud efallai bod arian yn cael ei dorri, nid yw pobl yn gallu rhoi rhaglenni ymlaen yn ystod y dydd. Pam felly wnes i ddim clywed unrhyw beth gan yr ymddiriedolaeth, er enghraifft, pan roedd y datganiad ynglŷn â rhoi cyfrifoldeb dros y pensiwn dros 75 i'r BBC? Mae hynny wedi tynnu, efallai, i ffwrdd oddi wrth gapasiti'r BBC. Felly, os oes yna broblemau cyllido yna, pam ddim gwneud hynny yn rhywbeth mwy *vocal*, fel yr ymddiriedolaeth?

saying that nothing is happening, but I just think sometimes—. You say that perhaps money is being cut and that people can't broadcast programmes during the day. So why, therefore, didn't I hear anything from the trust, for example, when there was the statement regarding giving responsibility for pensions over 75 to the BBC? That has taken away, perhaps, from the capacity of the BBC. So, if there are funding problems, why isn't the trust more vocal about that?

[46] **Yr Athro Stephens:** Rwy'n meddwl y bydd ein cadeirydd ni eisiau siarad am hyn, achos nid ydw i'n meddwl ei fod o'n wir ein bod ni heb ddatgan a bod yna ddiffyg trafod wedi bod ar y symiau ariannol.

Professor Stephens: I think the chair will want to cover this because I don't think it's true that we didn't actually respond, and we actually did make the point that there had been an absence of debate on those financial issues.

[47] **Ms Fairhead:** I'm happy to. We've made it very clear that we thought the process was a terrible process in terms of that funding agreement that was done in July. The reality is that the trust was involved; it's not true that the trust did not speak out. I was contacted by the Secretary of State shortly before the director general was contacted. The reality of the situation, we discovered, was firstly, at the end of the charter, the BBC loses all rights, all protections. So, you'll have the charter for 10 years in which there are clear protections for the licence-fee payer's money; at the end of the charter, that disappears. What we're saying is that has to change for the next charter. The second thing is, whether we like it or not, the Government does decide what the licence fee level is, and that has always been the case.

[48] So, what was put to us in July, to both the executive and to the trust, was that the Government was going to take this money that had moved from being Department for Work and Pensions funded into licence-fee funded, and then effectively became a subsidy by Government of the over-75s. We

were told that decision had been made by Government; it would be done. So, we spent the next few days—we said it was a bad process, it should have been done in public—negotiating on behalf of the licence-fee payer to get the greatest set of mitigations. So, it was phased in over time, the broadband roll-out top-sliced from before is being reduced to zero and also, very importantly, there was an agreement that the licence fee from the next charter would go up with inflation, which is really important.

[49] Now, it still means that there is, at best, a 10 per cent cut over the period in the budget, but because of the investment that the BBC wants to make in partnerships, in these portrayals, and in making sure that it's responding to the needs of the audience, then it's somewhere between 10 and 20 per cent that will need to be cut from the budget. We've been very clear that, as a trust, that will mean some tough choices. The BBC will absolutely encourage, and the BBC executive will do everything they can not to affect service—[Inaudible.]—but there is an inevitability that some will be cut and we've been very clear about that.

[50] So, where I come away from it is, yes, the trust did speak out. The situation—[Inaudible.]—the next charter, there should be—[Inaudible.]—with public—[Inaudible.]—process started with—[Inaudible.]—out what the scope of the BBC should be, and what we've said is that it should all be open to public consultation. It should be, 'Let's work out what you want from the BBC and then how much that means that you need to fund it'. We think that there need to be more protections at the end of every charter, so that there isn't this cliff, so that you actually have an assumption or a presumption that the charter endures until a new one is put in place, and there has to be some sort of parliamentary scrutiny of those decisions. We don't know exactly how that will be—I think that will be for Government to decide—and there will have to be some sort of public process on the amount of money.

[51] One of our suggestions, which is done in Germany and is done with a number of other institutions around the country, is that there is a commission that makes a recommendation. That could be one way where there's a process with an independent body making a recommendation, because I think the reality is that the Government has always decided eventually what the licence fee agreement would be, but we just want to make sure that the process is right for the future.

[52] **Christine Chapman:** Rhodri Glyn Thomas.

[53] **Rhodri Glyn Thomas:** A gaf i fynd yn ôl at y portread yma o Gymru? Rŷm ni'n gwerthfawrogi'n fawr iawn y datblygiadau o ran cynyrchiadau ar gyfer y rhwydwaith yng Nghaerdydd, ac mae'r gwaith sy'n cael ei greu gan hynny a'r sgiliau sy'n cael eu datblygu yn bethau gwerthfawr iawn, iawn, wrth reswm. Ond, am 16 mlynedd fel Aelod Cynulliad, rwyf i wedi clywed pawb yn cydnabod bod y portread o Gymru yn ddiffygiol, yn enwedig y portread o Gymru trwy gyfrwng y Saesneg gan y BBC. Mae'ch cyngor cynulleidfa chi'n disgrifio'r sefyllfa fel un ar y dibyn; ac eithrio'r newyddion, mae'r allbwn ar y dibyn—'on a cliff edge' oedd y disgrifiad a ddefnyddion nhw. Mae Tony Hall wedi cydnabod bod yna ddirywiad wedi bod ers degawd a mwy. Pam nag oes yna unrhyw un, mewn gwirionedd, yn derbyn cyfrifoldeb am hyn? A ydy e'n dangos, er enghraifft, nad oes gan yr ymddiriedolaeth unrhyw ddylanwad ar gynyrchiadau'r BBC? Oherwydd mae'r ymddiriedolaeth wedi bod yn dweud hyn wrthym ni.

[54] **Yr Athro Stephens:** Rydych chi'n mynd yn ôl at yr hyn mae cyfarwyddwr Cymru, sef Rhodri Talfan Davies, yn gorfod ei wneud. O fewn ei gyllideb bresennol, mae ganddo fo'r dewis i wneud ei benderfyniadau golygyddol ac mi ddewisodd o, yn benodol, ddau beth yr oedd o'n mynd i'w gwarchod ar bob cyfrif: un oedd ei gyllideb chwaraeon, a'r llall, yn bendant, oedd

Rhodri Glyn Thomas: May I go back to this portrayal of Wales? We very much appreciate the developments in terms of productions for the network in Cardiff, and the work that is created as a result of that and the skills that are being developed are very valuable, of course. But, in 16 years as an Assembly Member, I've heard everybody acknowledging that the portrayal of Wales is deficient, and especially that portrayal through the medium of English by the BBC. Your audience council describes the situation as one on a cliff edge; except for news, the output is on a cliff edge—that was the description they used. Tony Hall has acknowledged that there has been a decline for over a decade. Why isn't anyone, in reality, taking responsibility for that? Does it show, for example, that the trust doesn't have any influence on BBC productions? Because the trust has been telling us this.

Professor Stephens: You're returning to what the director for Wales, Rhodri Talfan Davies, has to do. Within his current budget, he has a choice to make in terms of editorial decisions and he specifically chose two areas that he would protect on all counts: one was his sports budget and the second was the news and current affairs budget. Therefore, news was strengthened through the

ei gyllideb newyddion a materion cyfoes. Felly, mi gryfhawyd newyddion gydag aelod staff newydd ac mi gryfhawyd *The Wales Report* a phethau tebyg. Nawr, mae'n wir bod y gyllideb yna, yn amlwg, yn rhy fach i fedru gwneud y portreadau ychwanegol, creadigol y mae eu hangen.

[55] Gadewch i mi ddweud am y ddegawd ddiwethaf. Mae'n amlwg, o awdit yr IWA ac o bob awdit sydd wedi cael ei wneud, fod dirywiad sylweddol wedi bod yn y nifer o raglenni Saesneg o Gymru. Mae hynny'n rhannol—yn rhannol—oherwydd bod y gofyniad ar ITV wedi cael ei godi. Mae eu nifer o oriau wythnosol nhw nawr lawr i chwech. Felly, mae yna fwy o bwysau ar y BBC a disgwyliadau o'r BBC achos ni ydy'r unig gyflenwr o bortread o Gymru mewn unrhyw ffordd heblaw newyddion.

09:30

[56] Ar y llaw arall, rwy'n meddwl bod y deallusion a'r bobl sydd yn ymwneud â'r cyfryngau yng Nghymru wedi bod yn weddol dawel am hyn yn gyffredinol, oherwydd yr holl bryder oedd yna am ddyfodol S4C. Byddwn i'n dweud o tua 2008 ymlaen mai dyna ydy'r un o'r prif bryderon a'r brif ddadl sydd wedi bod. Rwy'n ymfalchïo nawr bod y siarad wedi cyrraedd y man lle rydym ni hefyd yn gwerthfawrogi pwysigrwydd yr ochr Saesneg.

appointment of a new member of staff and *The Wales Report* and similar output was also strengthened. Now, it's true that that budget is clearly too small to be able to provide those additional creative portrayals that are also necessary.

Let me just make a point on the past decade. It's clear from the IWA audit, and from all the audits that have been undertaken, that there has been a significant decline in the number of English-language programmes produced from Wales. That is partly—partly—because the duties on ITV have been lifted. Their weekly hours are now down to six. So, the expectations of the BBC are greater and the pressures are greater, because we are the only supplier of Welsh output in any way other than news.

On the other hand, I think that the intelligentsia and those involved in the media in Wales have been relatively quiet on this, generally speaking, because of all of those concerns about the future of S4C. I would say that, from around 2008 onwards, that has been one of the major concerns and that has been the main issue of contention. I am pleased now that the discourse has reached a point where we also appreciate the importance of

English-language output.

[57] Rwyf i fel ymddiriedolwraig yn gallu mynegi pryder ynglŷn â'r portread, ond nid oes gen i hudlath fel rwy'n gallu dweud, 'Dyma gyllideb ychwanegol ichi.' Mae'n wir fod cyllideb y BBC yn ystod y 10 mlynedd diwethaf wedi mynd lawr yn gyson bob blwyddyn. Yn ystod y pum mlynedd diwethaf, rydym ni wedi cymryd 20 y cant allan. Nawr, yng Nghymru, mae 16 y cant wedi mynd allan, ond mae o'n wir ei fod o wedi mynd—. Mae o wedi yn llai dinistriol nac mewn mannau eraill—*daytime*, er enghraifft, sydd wedi cael cyllideb drom—ond nid oes modd osgoi na allwch chi wneud popeth o fewn yr arian sydd ar gael.

I, as a trustee, can express concerns about the portrayal, but I don't have a magic wand so that I can magic up an additional budget. It is true that the BBC's budget over the past 10 years has fallen consistently every year. During the past five years, we have seen 20 per cent removed. Now, in Wales, 16 per cent is the figure in terms of decline, but it is true that it's gone—. It has been less damaging than in other areas—daytime, for example, which has seen significant cuts—but you can't avoid the fact that you can't do all things for all people within the budget that is available.

[58] Byddwn i'n eich annog chi i feddwl am yr hyn roedd Rona'n dweud nawr. Rydym ni yn rhoi'r drol o flaen y ceffyl yn aml iawn yn y trafodaethau yma. Rydym ni'n dod i gasgliad ynglŷn â faint ydy trwydded y BBC ac wedyn yn cael trafodaeth fawr gyda'r Ysgrifennydd Gwladol ynglŷn â beth y dylai'r BBC ei wneud. Rwy'n annog ein bod ni i gyd yn gadarn mai ffordd arall rownd y dylai hi fod: beth mae'r BBC angen ei wneud?

I would encourage you to think about what Rona said a few minutes ago. We are putting the cart before the horse, very often, in these discussions. We come to a conclusion about the cost of the BBC licence fee and then have a great debate with the Secretary of State about what the BBC should do. I would encourage us all to be firm that it should be looked at the other way around: what should the BBC do?

[59] Maddeuwch i fi wrth ddweud un pwynt arall. Mae'r BBC yn gwneud, rwy'n meddwl, os ydw i'n cofio'n iawn, 18 o raglenni gwahanol am 6.30 p.m., trwy Brydain. Mae'r math yna o beth yn cael ei gymryd yn

Forgive me for making one further point. The BBC makes, I think, if I remember rightly, 18 different programmes at 6.30 p.m., throughout Britain. That kind of thing is taken for granted, as though it just

ganiataol, fel pe bai o jest yn digwydd. Mae o'n golygu cyllideb gref i fedru gwneud y math yna o amrywiaethau. Mae angen sylweddoli hynny bob tro mae'r drwydded yma'n cael ei gosod, achos allwch chi ddim ei wneud o ar friwsion.

[60] **Rhodri Glyn Thomas:** Yr hyn rŷch chi'n dweud, mewn gwirionedd, ydy, os nad oes yna gynnydd sylweddol yng nghyllideb y BBC yng Nghymru, mae'r sefyllfa bresennol yn mynd i barhau a hyd yn oed gwaethygu, ac nid yw rheolydd y BBC yng Nghymru yn gallu gwneud dim ond amddiffyn newyddion a chwaraeon.

[61] **Yr Athro Stephens:** Rwy'n meddwl bod yna ffyrdd eraill hefyd, sef ennill comisiynau rhwydwaith, er enghraifft, fel bod portread o Gymru ar y rhwydwaith, yn rhywbeth angenrheidiol. A'r cwestiwn ydy: a oes yna ffyrdd o fedru creu arian *seed-corn* felly—arian fyddai'n hybu hynny fel bod gennych chi *pilots* ac yn y blaen. Nid yw i fi i ddweud wrth y weinyddiaeth sut maen nhw'n mynd o'i chwmpas hi, ond, yn y ffordd yna, mae yna botiau o arian sydd, efallai, ddim yn cael eu defnyddio yng Nghymru cymaint ag y gallen nhw. So, rwy'n cydnabod efo chi fod yna broblem; nid wyf i'n meddwl ei bod hi'n hawdd i'w datrys hi, ond mi ddylai hi fod yn cael ei datrys yn greadigol.

[62] **Christine Chapman:** Thank you. I've got Alun Davies and then Peter

happens. But it does require a large budget to provide that sort of diversity. We must realise that every time the licence fee is set, because you simply can't do it on thin air.

Rhodri Glyn Thomas: What you're saying, in reality, is that, if there isn't a significant increase in the BBC's budget in Wales, the current situation is going to continue and even get worse, and the director of the BBC in Wales can only defend sport and news.

Professor Stephens: I think that there are other things that can be done—getting network commissions, for instance, so that Wales is portrayed on the network, is a necessary step. The question is: are there ways and means of generating seed-corn funding—funding that would promote that so you can have those pilots and so on. It's not for me to tell the executive how to go about this, but, in that way, there are pots of funding that perhaps aren't being used in Wales as much they could be. So, I do agree with you that there is a problem; I don't think that it's easily solved, but it should certainly be addressed in a creative manner.

Black. Alun.

[63] **Alun Davies:** I'm reading through some of the trust's evidence to us, and I think the committee finds itself in something of a difficult situation because, politically and culturally, we value the BBC, and we find ourselves in a situation whereby we value the BBC more than the BBC values us. In your evidence, Mrs Fairhead, you make the point that there hasn't been a major portrayal on BBC tv of Wales for seven years, since *Torchwood* and *Gavin and Stacey*. Now, that to me is a signal of systemic failure, because, you know, you wouldn't consider a week to go by without a portrayal of England on the BBC. It would be absurd, absolutely absurd, but you can allow seven years to go past where one of the UK countries is not represented in a major drama. Now, that, surely, is a signal of systemic failure.

[64] **Ms Fairhead:** Which is exactly why we think—. At the moment, the public purposes and what we regulate are more talking about—. The focus has more been on skills, jobs and activity in particular areas. I think, on that, there has been real progress. I don't think you could say the investment in Roath Lock or in the city centre is negligible. It's very significant—1,300 people now work in Wales. The portrayal point is very real. I think that it is something that has to be achieved within a budget, which, as we've all said, has been set. It has to be within that budget. The challenge, and it's the challenge that we lay down to the management, because it will have to be the management that fix this, will be: how do you so organise to make sure that that portrayal happens? That's why, if we put it in as a public purpose, then it can get clearly measured. On all these things, it's the same old truism, that what gets measured, gets done, which is why our recommendation—it's our recommendation; it hasn't been picked up formally in the charter, but that's why we've put it there.

[65] I know that, when Tony Hall first came here, he mentioned that it takes time to commission, particularly drama, but I think it is something that we will carry on speaking on behalf of—as we hear from the Audience Council Wales, because the message is very, very clear. That is why we've put in the public purposes. So, it's one of the levers that we do have and one of the measures that we can put in, but we can't go out there and make the productions.

[66] The other thing that I think we are encouraged by is that, if you look at the executive's proposal on being more open, more partnerships, I think, when you actually look at how the BBC will carry on being able to deliver to

the public what the public wants within this budget, it will be through partnerships too, and that openness is something we encourage. And I think that's something that the BBC has done well in other parts—in other nations of the world, with Northern Ireland Screen, for example. It's something that we are, again, encouraging the BBC to do—that openness and partnerships—in a way that addresses the budgetary constraints but also addresses some of these portrayals. But I can't disagree with you that it's unacceptable. The portrayal has to improve.

[67] **Alun Davies:** I accept that, and I'm grateful to you for that, but, like Rhodri, I feel frustrated that we've had these sessions over a number of years. The trust does feel like something of a toothless tiger at the moment: it can make statements and say things, but nothing really changes. I don't want to be churlish about the Roath Lock development, because I think it is a fantastic thing, but I would point out to you that the 1,300 figure you referenced is less than half the number of people employed by one of the smallest borough councils in Wales. It is not a significant, major national institution, as we would probably anticipate and expect.

[68] On the Roath Lock issue, you describe it in your evidence as a 'spectacular success'—the 6.5 per cent figure. Now, 6.5 per cent is around where it should be. So, I wouldn't say it was a spectacular success—it's doing what the BBC is funded and told to do by law. Now, my question to you is: is there a problem with the trust in terms of its powers, because you don't seem to have the powers to pull the levers, and its culture, in that you're too easily satisfied by the BBC doing what I pay it to do, and you don't actually task and stretch the BBC in a way that we would expect and anticipate you to do?

[69] **Ms Fairhead:** I think that the trust is a governing body and is a regulator. I think the trust has used its powers where it can to sort of stop things happening where they don't think they should be happening. I think, in something like the network supply, it was the trust that was driving that. It was the trust that commissioned the research that showed that news and current affairs wasn't properly reflecting, and wasn't actually relevant any more as more powers became devolved and the Welsh Assembly was created—the BBC was behind. We commissioned that research. We commissioned, then, the King report, and actions have been taken as a result. So, I wouldn't agree that there are no powers.

[70] **Alun Davies:** Do you think so?

[71] **Ms Fairhead:** I wouldn't agree that there are no powers. I think portrayal is just a more difficult one because it's not as hard. When we were here for the public seminar, there were independent producers there, and, actually, their message was much more encouraging than where I hear you're coming from. Before, there wasn't even a base. Now, there is a base. There's a production facility, and, with that production facility, as we've seen in Salford and everywhere, and specifically in Glasgow, you have that centre and then you start building skills around it, and then independent production companies start being built, and then you start having a vibrant creative sector. One of the indies—one of the chief executive officers of one of the indies—was saying, 'Actually, you have to walk before you can run'. Now we have the base, now we have the foundation, and it really is for us to take it up. So, that will be what the trust, or whatever organisation it is in the new charter, will be focusing on: how you can take that foundation and make sure that you are addressing the needs in a tight budget—in a tight budget, but the portrayal one is a softer issue, as I said earlier, but it's one that will have to be taken on. That's why we've put it in the measures.

[72] **Professor Stephens:** Could I just—?

[73] **Christine Chapman:** Sorry, can I just—? Perhaps you can add to this as well, Elan. Are you content with the sort of pace of change, or are you saying it should be quicker, or is it about—? How do you assess that?

[74] **Ms Fairhead:** I think you can make change more quickly in some genres than others. I'm not a broadcaster, so I'm not an expert here. But, in terms of the news and current affairs, you can see how you can do that. With long commission dramas it takes longer. So, there is a time factor. So, you can't say, 'We'll just wake up tomorrow and we'll do those commission changes'. But I would agree with you. The director general came here over a year ago and said that it was an issue. There are budget constraints, but I think we're trying to be very clear—that's why we've put it in the public purpose—that it's not just the network supply. It has to be about portrayal and representation, and it has to be measured and tracked. And if that doesn't happen, then there have to be ways to make it happen.

[75] **Rhodri Glyn Thomas:** But this has been said time and time again over the last decade, and nothing changes. Is there anything happening now to change that situation?

[76] **Ms Fairhead:** I think news and current affairs have changed.

[77] **Rhodri Glyn Thomas:** Yes, well, we're talking about the portrayal of Wales through the BBC, especially in English. Is there anything at the moment happening to address that issue?

[78] **Christine Chapman:** Okay, I'll bring Elan in, and then, obviously, Alun. And then Peter's been waiting very patiently.

[79] **Professor Stephens:** Two points to Alun and Rhodri: Alun, it's not a legal obligation to do the 17 per cent. It's actually a BBC-devised obligation to the nations. So, there is a legal obligation of 25 per cent from independents, but there is no such—. The 17 per cent in production was devised by the previous director general and is roughly equivalent to the size of the population. So, it's a voluntary thing rather than a legal, and I think that has to be noted as a positive.

09:45

[80] I share the—you know, your thing about the 10 years. When you say you've heard all this for 10 years, I don't think we have. I think we have been very quiet—and I'm talking now as a Welsh person—about English-language portrayal in Wales, and we've been having this sense of frustration and passion on its behalf increasingly over the last two or three years, and I think it's bubbled up to the surface as a real issue. But I would take issue with you on whether it's been there consistently over 10 years. You ask whether anything has been done: although *Hinterland* didn't originate with the BBC, it is the BBC that now co-commissions it, with a substantial figure. So, there is money flowing in to a certain sort of portrayal, even if we don't recognise it as a complete BBC production. In future, I'm sure there will be many more co-productions with various people that can make the money go further.

[81] **Christine Chapman:** Okay. Alun, if you can be fairly brief, because there are other Members who want to come in—Peter, then. So, Alun.

[82] **Alun Davies:** I can see that time is moving on. Just two very, very quick questions, then. I don't accept your proposition that Wales was a production desert prior to the Roath Lock development.

[83] **Ms Fairhead:** I didn't mean that. I meant it was a big amount of investment that was new. Sorry.

[84] **Alun Davies:** And, as I said, we don't want to be churlish about that, because it's a valued investment and part of the community in Wales. However, we know the big sea change, or step change, if you like, in Welsh production was the creation of S4C in 1982. So, this has been in place for a number of years and my question to you is: is there a structural and cultural failure in the BBC? Because seven years without any major drama from Wales, to me, is completely unacceptable, and you've accepted that. My question to you is: that can't be a consequence simply of an oversight, so therefore it has to be a structural and cultural failure, and I'd be interested to know how you believe that could be addressed.

[85] A second question, if I could, because time is moving on: you mentioned news and current affairs, and I have to say I wholly disagree with your assumption that Wales is adequately covered in BBC news and current affairs—and I'm talking about network programming as well as domestic programming. The original King report—and I know he's reported back since then—painted a dismal picture, and I think a King report today in 2015–16 would paint a very similar picture. The insertion of two words, 'in England', following a news story does not reflect the devolved settlement and the reality of lives for people in the United Kingdom today.

[86] **Christine Chapman:** There were two questions there.

[87] **Ms Fairhead:** Okay, so two points. Is there a structural issue? I suppose it goes to—. The heads of each of the nations for the BBC are given their budgets to spend where they think the public wants them. As Elan has said, Rhodri has kept sport, which has been important—

[88] **Alun Davies:** I was talking about UK coverage as well, not just domestic Welsh production.

[89] **Ms Fairhead:** No, no; that is exactly why we are putting it in the public purposes. That is exactly why. So, within Wales itself, Rhodri has a particular budget. He has made sure that rugby is properly represented, and sport is properly represented; that's what the public is saying really matters to him. So, there is a budget issue in terms of what's to go around. Your point about the broader network, I think, is a valid one. I've acknowledged it to you and that's why I think we've put it in the purposes, because I think that needs to be recognised just as much as other roles.

[90] In terms of news and current affairs, I wasn't implying that everything was perfect. I was saying that there had been material strides from where it was before. As more powers get devolved, it becomes a greater and greater challenge. The BBC has said that, in its budget going forward, it will try to protect the nations as much as possible and it also recognises, and we've recognised, that it has to get better at news and current affairs that are relevant to the nations and regions in which they operate. And it's not just about labelling; I get your point, but what I wasn't saying was that everything's perfect. I was saying that material improvements have happened, but, as powers devolve, there is more to do. There is more to do.

[91] **Professor Stephens:** On King, as Rona said, there have been strides in labelling. I understand the frustration that just hearing something like 'the NHS in England' is not enough without the comparators. On the other hand, I think that the experience of the past few years has shown that things are improving steadily. I think the organ donation that the Assembly championed was given a very fair hearing. Some of the work that the Nuffield Foundation has done on the NHS was, I thought, given a fair hearing. And, recently, the plastic bags did kick off by saying that England was finally catching up with the rest of the nations of the UK. So, there's progress.

[92] When Alun said that, if there was a King report now—well, of course, we didn't just accept the King report, which was a trust initiative, and then just leave it on the shelf and not go back to it. It's been gone back to constantly on a monitoring basis, and some of the research and the monitoring has been done by Cardiff University here. So, there is a monitoring system on King, and much progress has yet to be done, but I would say that we are not in failure mode on King.

[93] **Ms Fairhead:** And just to make a point, we're doing a further news and current affairs service review, right as we speak, for the nations of the United Kingdom, and I think some of the feedback we've had in terms of this charter review is that, as more powers get devolved around the country, there is more desire for proper news and current affairs reflecting each nation. And I think that will form part of some revisions in the charter, because I think it's not the same across the nations; I think there are different desires in terms of what that should be. But I think that's part of why we're doing these consultations, and, to the Chairman's earlier point, why we need more voices to make sure that it's really informed, because what people want in different parts of the country is different in that coverage, and that has to be reflected too.

[94] **Alun Davies:** Could we ask for a copy of those monitoring reports, because it would be useful to actually see some of those?

[95] **Professor Stephens:** I'll have to see whether that—

[96] **Ms Fairhead:** The service reviews are always—

[97] **Alun Davies:** The monitoring reports which Professor Stephens referred to would be useful to see, or a précis possibly, if we can't see the reports.

[98] **Christine Chapman:** That would be useful, if you could. Now, obviously time is going on. Peter Black will come in now, and then Mike, and then I want to make sure that all Members have the opportunity. If there are any other questions, we'll try to get those in as well. So, Peter first.

[99] **Peter Black:** I just want to follow up from the last two questions that Alun Davies just asked in terms of the way that Wales is portrayed in English media through non-news and current affairs. It seems to me, listening to you for the last 20 minutes or so, that you're looking at Wales as an add-on, if you like. You're talking about budget constraints; you're talking about the budget that Rhodri Talfan Davies holds in Cardiff, but isn't it the case that the big problem is that, when it comes to commissioning this drama, it's an over-centralised process, that actors who want to take part in productions produced in Roath Lock have to go to England to audition for that? Do the people who commission drama—how many of them actually come to Wales and understand what Wales is about? Wouldn't it better to address this by decentralising the process for commissioning, so that people who are commissioning drama understand that, not just Wales, but the other regions and nations of the UK—the north is quite well represented, actually, in my view, in drama, but the other nations of the UK—should be fairly reflected in the commissioning process?

[100] **Ms Fairhead:** I don't accept your sort of definition of Wales as some sort of add-on.

[101] **Peter Black:** That's the way it's been coming across. You talk about budget restraints and 'we have to find more money for this.' You've got a budget; why isn't the budget being spent in Wales?

[102] **Ms Fairhead:** No, no; what I'm saying is that Rhodri has his own particular budget, and that's where he has to find it. But there is a broader budget, which I completely understand, which is—I keep coming back to it—why we've said that the portrayal has to improve and it's out of that budget, because that's where it will come from because, as you know, it's a much bigger budget.

[103] In terms of how commissioning is managed, I think what we have to do—. We have an executive who are there and who are paid to manage the organisation, and they have to manage it, to their mind, to the best creative output and do it as efficiently as possible. I think it is for them to decide how to manage it, but I do take your point. I've been in creative organisations and, when people are in the place, there's just a different mood that comes out because it's a greater, richer understanding of the issues and receptivity. So, I don't think it's our job, frankly, as a trust, to tell Tony Hall how to manage commissioning. But the challenge that we can make, and you clearly will make in your submission, is that that challenge has to be met, and that however they manage commissioning has to result in better portrayal of Wales and has to enrich both ways, which was the point that came out in the seminar. It's not about Wales getting something just for Wales, it's about Wales being able to enrich the whole of the UK, and that's the right way to do it.

[104] **Peter Black:** But isn't it your job to say to Tony Hall, 'The way you are managing commissioning is not working, because you're not portraying Wales in that commissioning process. The commissioners don't seem to understand Wales. They don't seem to understand what's needed for Wales. You need to look at it again.' Isn't that your job?

[105] **Ms Fairhead:** We can challenge them on the outcome. We can also suggest ways. However, it is for the management to decide how they will organise. So, I think it's just a—. He ultimately has to manage the organisation.

[106] **Peter Black:** How many times have you challenged him on that outcome?

[107] **Ms Fairhead:** We have regular discussions about how you can both be efficient and make sure that these issues on portrayal are addressed and there is constant discussion in terms of how to do that within the BBC.

[108] **Peter Black:** But do you accept that there is a problem in terms of the over-centralised commissioning and the over-centralised casting, which, actually, is leaving Wales on the sidelines?

[109] **Professor Stephens:** I think you had better address this to the management in terms of casting. I think things have moved on from the early years of Roath Lock, and, when we talk about a lack of understanding of Wales or of Roath Lock in the commissioning process, I think it would be fair to say that the current head of drama in Wales was one of the people spoken about as the BBC's overall head of drama, when the vacancy arose just recently. So, obviously, there is respect for the people who are working there.

[110] Can I just differentiate once again between these two aspects of the work of the BBC in Wales? When you talk about the wider budget—and not just Rhodri's budget—the wider budget is the budget that is going to pay for the new broadcasting house. The wider budget is the one that keeps the only national orchestra going. It is the wider budget that actually does the iPlayer and iPlayer Radio, and it is the wider budget that looks at co-commissioning *Hinterland*. There are failures that we have acknowledged openly on drama and comedy commissioning, but I would urge you to keep these in some sort of moderation in terms of the way in which they are seen side-by-side with a very substantial financial investment that has come from the BBC centrally.

[111] **Peter Black:** I think the issue is that, if I'm switching on my television outside of Cardiff, anywhere in the UK, that isn't reflected in what I watch on the television or listen to on the radio.

[112] **Professor Stephens:** Yes, I've taken the point—you've made the point very well and we accept the point. All I'm saying is that there are other heads of expenditure and they are being spent in Wales.

[113] **Peter Black:** I understand that, but what I want to hear from you is how you're going to address the point—how you're going to actually change things. I haven't really heard that. You're taking the point on board—you haven't actually said, 'How are we going to change things? What are we going to do differently that's going to make this better?'

10:00

[114] **Professor Stephens:** Well, I think you heard in the Institute of Welsh Affairs yesterday—

[115] **Peter Black:** Well, I wasn't at the IWA yesterday; I'm here in this committee now. What are you going to do better?

[116] **Professor Stephens:** I think when James Purnell spoke and gave his understanding that there were going to be as many creative solutions as was humanly possible from all the budgets, including drama and comedy, that that was the—. That is the only answer we can give you: that the management has to be more aligned with its public purposes in its commissioning, and we will ensure that that will happen.

[117] **Peter Black:** This is the second or third of these inquiries I've sat through and BBC executives have said exactly the same thing to all of them, and nothing has changed.

[118] **Ms Fairhead:** Which is why we're suggesting it's formally inside the public purpose and then measured against. We're not avoiding the question, it's just that it's the management that will determine how they construct and organise the BBC to get those results. What we have to do is make sure that the measures are in place and we're challenging them to be as creative—as Elan said—as possible, to put in place the changes in the way they approach it, to make sure that portrayal happens.

[119] **Peter Black:** Okay. Very briefly on the King report, I get the impression that things have stood still since the changes in the King report. That's the impression we get looking at it. I'll give you an example. The biggest radio audience in Wales is Radio 2, and, if you listen to Radio 2 in mid Wales, Cardiff, Swansea, you wouldn't believe you were in Wales—there isn't any Wales in the news or the current affairs on that. Have you thought, for example, in terms of those big audiences, of maybe having a Wales opt-out in the news or something like that, so someone listening to something like Radio 2 can actually hear that they're in Wales?

[120] **Professor Stephens:** This is precisely why the BBC has started to look at how it could enable opt-outs on Radio 2. Where we've reached, I think, from the enquiries I've made, is that there are quite substantial distribution problems, in terms of the way the transmitters work, in opt-out. We all know how oddly the transmitters in Wales work, and how some of them go over to Shropshire or Hereford and some of the—. You know, the regions of Wales are not covered geographically in what would appear a rational manner. It's more to do with hills and valleys than with reason. But—

[121] **Peter Black:** All right. I understand there are technical problems.

[122] **Professor Stephens:** But technical things are there to challenge us and there to be overcome. As we move forward into a more internet-connected and into a more DAB future, then the issue of being able to personalise your radio offering to particular regions would become much easier, just as the iPlayer will be able to personalise according to your interests. Therefore, as we progress into, possibly, a non-transmitter future, I think all of these things will open up avenues that are slightly closed to us at the moment.

[123] **Ms Fairhead:** I think in its own submission the executive said that it would look at what it could do more online for the nations, and also what more could and should be done within television and radio. So, they are in the process of consulting on those right now, so it's a point well made.

[124] **Christine Chapman:** Now, I know a few other Members want to come in and time is moving on. Mike first and then Janet.

[125] **Mike Hedges:** Can I start off with a positive? I think that BBC news is very trusted and BBC Wales news is very good, and BBC *Sunday Politics* from Wales is also a very good and very watched programme according to my constituents. Can I then say that I live in Swansea and I represent Swansea East, and the biggest complaint I get about the BBC is all about *Match of the Day*, and it's about the fact that we expect Swansea to be the last game on *Match of the Day* each week? In fact, somebody put it on Facebook and said, 'I've got bad news for the fans of seven teams—you're now going to be the last game on *Match of the Day* because you're playing Swansea City'. There is concern that, despite being a mid-table team in the premiership, Swansea's position on the games coming out on *Match of the Day* is consistently last and last but one. That is a matter that concerns my constituents greatly and it's probably the matter I've had raised with me most about the BBC—more than everything else combined.

[126] **Alun Davies:** Answer that, Elan. [*Laughter.*]

[127] **Professor Stephens:** I'm sorry to sound as if I'm repeating myself, but this is something to be raised with Tony Hall and with Rhodri. It isn't really a matter for the trust. It is an editorial decision, but I'm sure that, when they do come to give evidence to you, that this should be top of the list, and you should kick off with this first. And it leads into portrayal more widely so

you'll be well covered.

[128] **Mike Hedges:** But it is a matter, coming to Swansea, that is of great concern, and you are the people here now I can talk to. If Tony Hall was here, I'd be raising exactly the same with him or anybody else from the BBC.

[129] **Professor Stephens:** Yes. I think, on the slightly wider issue of how the trust works and how it doesn't, when Rona came into post at first, she was the first to say that there are weaknesses in the structure. And I think you're identifying some of what we've been quite open about, that a move, as we've suggested, to a stronger unitary board on the BBC, with a regulator that is able to stand apart and demand answers in a more monitoring way, is probably the way to go, and the way that we've suggested very openly. So, you know, we are aware, and we would recognise, that some of the levers we have we would like to strengthen, and I would hope that, in your submission—I'm sure you are going to submit something to Sir David Clementi on governance—you say that, actually strengthening those regulatory levers and differentiating more clearly between executive and regulator is probably one of the things that we would endorse, and want to proceed.

[130] **Bethan Jenkins:** I just wanted to ask quickly whether that would mean we would have a unitary board for Wales or specific representation for Wales, because, at the Institute of Welsh Affairs summit yesterday, that was a discussion. Would we have a specific Wales representation, then, or would it just be one person? Because I don't think that would be sufficient, really, personally—for a nation just to have one person on that board.

[131] **Professor Stephens:** I think this is absolutely wide open, because what we've said in our submission to the Green Paper—and I think what the executive has also said in its recent submission—which has been opened for consultation, is that we haven't come to conclusions about how the nations are going to be represented for one clear reason: there needs to be a discussion, a wider discussion than just the trust coming to a conclusion. You have a memorandum of understanding with the Department for Culture, Media and Sport and the BBC about a look at the final draft charter, and I think it's of vital importance that—. As Rona said right at the beginning, the more voices we hear within this consultation period, and especially within the Clementi review, the more we will have ideas on structures and models for a future governance model.

[132] Now, my personal view is that the structure in Wales as it pertains to the Audience Council could be strengthened and that greater accountability to bodies such as yourself on an annual basis would form part of that strengthening. I think we've been quite open about that as well. So, 'yes' is the answer—better governance, stronger governance, both on the UK level and within Wales, are on the table, and I think we need to have the voices to push for them.

[133] **Ms Fairhead:** And I would think, frankly, clearer accountabilities because, when I came into the trust—. It's both an overseer, a representative and a regulator. On some of the areas today where we're talking about things that are more what a unitary board might decide, we have to say, 'Actually, we have to step back because we're the trust and it's the management'. So, we've been very clear from the beginning that we would say that the front runner is a unitary board, with proper representation fed in as effectively as possible from the various nations and regions, and a regulator. Frankly, a lot of people will say, 'What has the trust done?' The trust has improved a lot more accountability, it has introduced service licences; there are a whole bunch of things that I don't think you would want to throw out in any future charter. You want to keep those, but possibly put them into a clearer regulator with a clearer unitary board. In terms of how the representation happens of the nations and regions of the United Kingdom, I think David Clementi has been tasked with pulling together, understanding exactly how it works now, where the issues are, and creating a recommendation of how it should look in the future. So, we're working with him, giving him all the information that we can, and we'd really encourage you to do exactly the same.

[134] **Christine Chapman:** Okay. Now, we've got about 15 minutes left and we must cover the S4C issue as well. Janet, did you have a question? Then Alun.

[135] **Janet Finch-Saunders:** Yes, I suppose, really, just listening to the evidence alone this morning—and this is the second inquiry that I've been involved in—I think I feel more frustrated than ever. Alun did a really good job of teasing out some of the failings. Peter touched on issues of your wider budget. For me, I've just got this impression now that the BBC is more about grandstanding and building its own corporation up with iconic buildings. On your wider budget, you say what it's responsible for. The point that Peter made: when people watch a programme, they're not really too interested in what the building looks like or where it is even situated. Now, we must never

forget in all these discussions that this is Welsh taxpayers' money. It's not the BBC's money. But I get the impression that you're not too clear of your own role in how you can regulate, or terms of governance. There seems to be a whole lot now hinging on this new report and the consultation that's going on, but I feel as Assembly Members we're quite powerless to be able to influence either now or in the future. So, how can we actually become more part of the integral process of being able to scrutinise and challenge and hold the BBC to account in how they are using taxpayers' money, or whether in fact they are actually fulfilling any of the purposes? You mentioned about—

[136] **Ms Fairhead:** I think they are. I think the less we get dragged totally into portrayal, because if you actually say, 'Do the people of Wales support the BBC? Do they value the BBC?'—

[137] **Janet Finch–Saunders:** Well, it's iconic.

[138] **Ms Fairhead:** It is not just that it's iconic; it's about the fact that there are programmes and services that the people of Wales love to watch, love to listen to, and love to use online. So, I would hate to leave today with the fact that the people of Wales are badly served by the BBC because the evidence would show that it's the highest appreciation of any nation in the country.

[139] **Janet Finch–Saunders:** But there are a lot of failings.

[140] **Ms Fairhead:** But there are failings. That's exactly—

[141] **Janet Finch–Saunders:** But that's exactly what I identified in the last inquiry but nothing has happened.

[142] **Ms Fairhead:** I think the inquiry was—. You're right. Some of them have been addressed, or are being addressed; some of them still need to be addressed, which is what we are agreeing with you today. In terms of the investment in the areas, the investment in the centre of Cardiff, I think there are wider things that the BBC can bring. It also is a more efficient site, so it's actually better value for money for the taxpayers, and I think there is a benefit that the BBC can bring in terms of creating vibrancy in the way that Salford has created real vibrancy, Roath Lock and a new building in the city centre will. That's not to say that the core job of making great programmes that portray Wales is being done at the moment to your satisfaction, and that's—

[143] **Janet Finch–Saunders:** I don't think it's to anybody's.

[144] **Ms Fairhead:** But that's why I think we are saying, for the next charter, it has to be in these purposes. Those purposes have to be measured, and there has to be a way for those to be tracked and then held to account. That's what it's about.

10:15

[145] **Professor Stephens:** Could I also add, on the building, just briefly—? I wouldn't like you to go away from here thinking that the BBC's looking after its own corporate health and building a building in order to shine in the middle of Cardiff. If you go to Llandaff regularly, you will know that the building is an old building; it has quite severe problems of leaking roofs and dampness and it also has a really bad infrastructure in terms of new technology and new fast connections. So, the question that the finance committee of the BBC and the value-for-money committee of the BBC, on which I sat for four years, had to come up with was: is it better to move to a new building and build a new building, or, how do you operate the BBC Wales operation, including its news and current affairs, on a daily basis, when you're also hacking the infrastructure of the building to bits? These are considerations about value for money for the taxpayer of moving to a place that will make the provision of news and current affairs a much more efficient and modernised procedure. That's the basic reason for it.

[146] **Janet Finch–Saunders:** I look forward to that evolving, then, and we'll see if that stands the test of time.

[147] **Christine Chapman:** We do need to get on to the issue of S4C and I know that we are tight for time, because you've got to catch a train, I think. So, we need to do that. Bethan, do you want to ask your questions—I know other Members will come in, as well—on the S4C issue?

[148] **Bethan Jenkins:** Y cwestiwn **Bethan Jenkins:** The most obvious mwyaf amlwg i ofyn yw: beth yw'ch question to ask you is: what are your barn chi ynglŷn â'r ffaith bod y views on the fact that the Llywodraeth wedi dweud y byddai'n Government has said that it will be a rheidrwydd ar S4C i edrych ar yr un necessity on S4C to look at the same lefel o doriadau â'r BBC, pan fo extent of cuts as the BBC, when cuts toriadau ar y gweill? A ydych chi'n are introduced? Do you think this is

credu bod hyn yn dderbyniol? Yn amlwg, mae S4C wedi dod atom ni fel pwyllgor a dweud y gallai hyn ddiweddu lan gydag S4C yn dod i ben. Pa fath o gynrychiolaeth ydych chi wedi'i rhoi i'r BBC ac i'r Llywodraeth ynglŷn â dyfodol S4C yn hynny o beth?

[149] **Yr Athro Stephens:** Rwy'n meddwl ei bod hi wedi bod yn egwyddor gennym ni nad ydym yn ymyrryd yn y dadleuon y mae S4C yn eu rhoi gerbron y Llywodraeth. Mae S4C yn gorff annibynnol. Rydym ni i gyd yn gryf o blaid iddo barhau fel corff annibynnol. Mae ganddo ei lwybr ei hun tuag at yr Ysgrifennydd Gwladol ac at y Canghellor a—rwy'n siarad fel aelod o'r awdurdod—dyna'r ffordd iddyn nhw wneud eu cynrychiolaeth. Nid wyf yn meddwl y dylai'r BBC fod yn dweud a ydy o'n ddigon neu ddim yn ddigon, achos mater i'r Llywodraeth ydy o. Mae yna ffyrdd gan S4C o fedru cynnal y dadleuon hynny.

[150] Y peth mae'n rhaid i ni ei wneud, fel ymddiriedolaeth, ydy gwneud yn siŵr y byddai unrhyw ddatrysiad neu argymhelliad y mae'r Llywodraeth yn San Steffan yn ei wneud yn cael ei gario allan mewn dull cwbl deg, agored a thryloyw o ran y modd y mae'r cyllid yn llifo o un corff i'r llall.

[151] **Bethan Jenkins:** Diolch am hynny. Efallai ei fod yn dod fel bach o syrpreis imi nad ydych yn mynd i gael

acceptable? Clearly, S4C has come to us as a committee and said that this could lead to S4C coming to an end. What sort of representations have you made to the BBC and to the Government in terms of the future of S4C in that sense?

Professor Stephens: I think it's been a principle of ours that we don't interfere with the arguments that S4C presents to Government. S4C is an independent body. We are all strongly in favour of retaining that independent status. It has its own route to the Secretary of State and the Chancellor and—I speak as a member of the authority here—that is the way that they should make their representations. I don't think that the BBC should be saying whether it is sufficient or otherwise, because it is a matter for the Government. S4C does have ways and means of presenting those arguments to Government.

What we must do, as a trust, is ensure that any solution or recommendation that the Government in Westminster were to make is carried through in a fair, open and transparent manner in terms of the way the funding flows from one organisation to another.

Bethan Jenkins: Thank you for that. Perhaps it comes as a bit of surprise to me that you don't have any view,

unrhyw fath o farn, oherwydd y ffaith bod S4C yn rhan o'r cytundeb gyda'r BBC. Wrth gwrs, roedd hynny'n benderfyniad gan y Llywodraeth, ond y realiti yw bod y BBC ac S4C yn gweithio'n gyson gyda'ch gilydd, fel rydych chi wedi dweud yn barod, ar raglenni fel *Y Gwyll*, a bod hynny'n digwydd nawr. Felly, ar ba bwynt y gwnaethoch chi benderfynu, felly, i beidio â gwneud sylw ar yr hyn sy'n—

[152] **Yr Athro Stephens:** Nid wyf yn meddwl bod hwn yn fater dadleuol. Mae'r bartneriaeth rhyngom ni'n gweithio. Rydym ni wedi dweud yn gyhoeddus bod y bartneriaeth yn un ardderchog, sy'n dod â budd i'r ddwy ochr—budd creadigol a budd o ran rhannu'r *playout* yn y ganolfan newydd, ac yn y blaen. Felly, mae yna fuddiannau yn y bartneriaeth. Mae iPlayer, er enghraifft, yn cario S4C yn llwyddiannus iawn. Felly, rydym ni wedi gweithredu ein cyfeillgarwch. Beth roeddwn i'n ei ddweud ydy eu bod nhw'n gorff annibynnol, ac nid wyf yn meddwl y dylem ni fod yn gwneud sylw cyhoeddus ynglŷn â'r ffordd y mae'r Llywodraeth yn mynd i'w hariannu nhw neu beidio. Mae yna ddwy ffrwd, fel rydych yn gwybod. Mae yna un ymhen pythefnos efo'r CSR, sy'n dod ag arian DCMS, ac nid yw hynny, yn sicr, yn ddim byd i wneud â'r BBC; nid oes gennym unrhyw lais yn hynny. Ni fydd gennym lais ychwaith yn y datrysriad ariannol fydd yn dŵad i S4C. Ffi'r drwydded fydd yn ei gynnal, ond nid ni fydd yn ei benderfynu.

because of the fact that S4C is part of the agreement with the BBC. That was a decision by the Government, but the reality is that the BBC and S4C do work together, as you have said already, on programmes such as *Y Gwyll—Hinterland*—and that that is happening now. So, at what point did you decide, therefore, not to make a comment on—

Professor Stephens: I don't think that this is a contentious issue. The partnership between us does work. We have stated publicly that the partnership is excellent, and it brings benefits to both sides—creative benefits and benefits in terms of sharing *playout* in the new centre and so on. So, there are benefits to the partnership. The iPlayer, for example, does now carry S4C productions very successfully indeed. So, we have acted on that partnership. What I was saying is that they are an independent organisation and I don't think that we should be commenting publicly on the way in which the Government will fund them, or not. There are two streams, as you will know. There is one in two weeks' time, the CSR, which will bring funding through DCMS, and that certainly has nothing whatsoever to do with the BBC; we have no voice in the CSR process. Nor will we have a voice in the financial decisions taken on S4C. It will be the licence fee that maintains it, but we will not decide upon it.

[153] **Bethan Jenkins:** Rwy'n deall hynny, ond, er enghraifft, mae'r newyddion yn cael ei ariannu gan y BBC, mae yna botiau eraill o arian sy'n cael eu hariannu gan y BBC ar gyfer S4C, felly mae'n amlwg y byddai'r gynulleidfa wedyn hefyd â barn ar hynny.

Bethan Jenkins: I understand that, but, for example, the news is funded by the BBC, there are other pots of money being funded by the BBC for S4C, so it is clear that the audience then would also have a view on that.

[154] **Yr Athro Stephens:** Efallai y dylwn i jest ailadrodd er mwyn bod yn hollol glir: rydym wedi dweud yn gyson bod y bartneriaeth yn gweithio. Rydym wedi dweud yn gyson y byddwn yn licio i'r bartneriaeth barhau. Rydym wedi dweud yn gyson bod y 10 awr yn rhywbeth y mae'r BBC yn brawd ohono fe ac yn falch o'i barhau. Nawr, dyna i mi ydy'r conglfeini o'r bartneriaeth. Yr hyn nad ydym yn ei ddweud yw beth y dylai'r Llywodraeth ei wneud efo S4C, achos nid oes hawl gennym ni i ddweud beth ddylai'r Llywodraeth ei wneud gydag S4C. Felly, rwyf eisiau jest gwahanu ein cyfeillgarwch a'n cefnogaeth oddi wrth y syniad ein bod ni'n gallu dylanwadu ar y Llywodraeth mewn unrhyw ffordd efo S4C achos, yn y pen draw, mae'n rhaid iddyn nhw fod yn gorff annibynnol. Rwy'n gwarchod eu hannibyniaeth nhw i fynd at Lywodraeth y Deyrnas Unedig.

Professor Stephens: Perhaps I should just reiterate one thing, just for the sake of clarity: we have consistently said that the partnership is working. We have consistently said that we want that partnership to continue. We've consistently said that the 10 hours is something that the BBC is very proud of and keen to continue. Now, for me, those are the cornerstones of the partnership. What we are not saying is what the government should do in terms of S4C, because it's not within our remit to say what the Government should do in terms of S4C. So, I just want to separate our partnership and our support from the concept that we could bring influence to bear on the Government in any way whatsoever on S4C, because, ultimately, they do have to retain their independence. I am protecting their independence to approach the UK Government.

[155] **Ms Fairhead:** I've met on a number of occasions with the chairman of S4C, and when that agreement was made on the budget in July, I explicitly agreed with S4C that they're an independent body and we shouldn't negotiate on their behalf. It's for them to negotiate on their behalf. Actually, in the letter, it says that there will be an assumption of read-across to S4C

but that any funding decisions will be made directly between S4C and Government, which I think is the right place. What Elan was saying was, in terms of how that read-across happens, that that sets the framework and then S4C is an independent body and therefore will negotiate on its own behalf. What we have said as a trust that we will do is make sure that the read-across is fair so that, if there are any increases or reductions as a result of that agreement, then that read-across is fair and we can make sure that S4C is treated fairly.

[156] On the working relationship, I think the provision of programming and the news that S4C takes up works incredibly well. I think the co-production is working incredibly well, and that will carry on. But in terms of—

[157] **Bethan Jenkins:** That can only carry on, though, if it's not cut more—. If their budget is cut so much that they can't exist anymore, there will be no more co-commissioning.

[158] **Ms Fairhead:** Which is why it's important that there is a fair read-across, which is what we've committed to doing, as the trust in the middle. S4C have the ability—and, actually, that's their legitimate right as an independent body—to negotiate separately with the Government, which is what I've agreed with Huw is the right thing to happen.

[159] **Christine Chapman:** Thank you. We've got about four minutes, because I know you've got to catch a train, so I will be closing the meeting at 10.28 a.m. to make sure that you have enough time for that. Alun, you had a question.

[160] **Alun Davies:** A gaf i jest gofyn dau gwestiwn? Yn gyntaf, tra eich bod chi yn y swydd, Elan, nid oes gan neb amheunon am sicrwydd annibyniaeth S4C, achos bod pawb yn gwybod am dy ymrwymiad personol di ar hynny ac mae pobl yn deall y sefyllfa a'r cyfeillgarwch rydych chi wedi ei ddisgrifio, ond a ydych chi'n gwerthfawrogi y dylid, rhyw ben, cael strwythur yn y BBC i sicrhau annibyniaeth S4C a chyllideb S4C? Rwy'n gyfforddus gydag arian y **Alun Davies:** May I just ask two question? First, while you are in post, Elan, nobody has any doubts about the independence of S4C, because everybody knows your personal commitment to that and people understand the situation and the partnership that you have described, but do you appreciate that, at some point, there should be a structure within the BBC to provide assurances about the independence of S4C and S4C's budget? As it happens, I'm

drwydded, fel mae'n digwydd, yn ariannu S4C; nid oes gennyf broblem egwyddorol gyda hynny, ond mae'n rhaid bod hynny yn cael ei weld fel arian cyhoeddus sy'n mynd i ariannu S4C ac nid fel arian y BBC sy'n mynd at ariannu S4C. Felly, sut ydyn ni'n creu strwythur fydd yn parhau i sicrhau hynny?

[161] Yn ail, wedyn, sut ydym ni'n creu strwythur a fydd yn sicrhau annibyniaeth olygyddol S4C ar gyfer y dyfodol?

[162] **Yr Athro Stephens:** Wel, dau ateb cyflym iawn. Y rheswm am annibyniaeth ydy'r union reswm pam nad oeddwn i'n ymwneud efo Bethan drwy ddweud beth ddylai ddigwydd i S4C, achos mae'n hollbwysig, yn fy marn i, ei fod yn gorff ar wahân. Yn 2012, mi ddaeth memorandwm o ddealltwriaeth rhwng y BBC ac S4C, ac rwy'n cymryd y bydd yna rywbeth tebyg eto—hynny ydy, yn gosod seiliau'r bartneriaeth, yn gosod modd ymarferol o weithredu ac yn gosod canllawiau ariannol. Felly, buaswn i'n disgwyl, gydag unrhyw ariannu, y byddai yna llythyr o ddealltwriaeth yn gorfod digwydd. Unwaith eto, rwy'n meddwl, drwy eich ymwneud efo S4C, bydd angen ichi wneud hyn yn glir i Mr John Whittingdale fel Ysgrifennydd Gwladol. Ond, fel mae Rona'n dweud, rwy'n meddwl mai swyddogaeth y *trust* ar hyn o bryd ydy gwneud yn saff bod y llythyr yna o ddealltwriaeth yn cael ei weithredu yn gyfiawn ac yn dryloyw. Buaswn i'n

comfortable with the licence fee funding S4C; I don't have a problem in principle with that, but that needs to be seen as public money funding S4C and not as the BBC's money going to fund S4C. So, how do we create a structure that will continue to give that assurance?

Secondly, how do we create a structure that will ensure the editorial independence of S4C for the future?

Professor Stephens: Well, two very brief responses. The independence is the very reason why I didn't respond to Bethan by saying exactly what should happen to S4C, because it's crucially important, in my view, that there should be that independence. In 2012, there was a memorandum of understanding signed between the BBC and S4C, and I assume that something similar will happen again, putting in place the foundations for the partnership, setting out the practical *modus operandi* and also putting financial guidelines in place. So, I would expect, with any funding agreement, that there should be some sort of memorandum of understanding. Once again, through your involvement with S4C, you will need to make this clear to Mr John Whittingdale as the relevant Secretary of State here. But, as Rona says, I think the trust's function is to ensure that that memorandum of understanding is implemented

gobeithio y byddai unrhyw system newydd a fydd yn dod, a fydd yn cymryd lle y *trust*—y bydd yr un math o ddealltwriaeth a thegwch yn cael ei wneud yn y corff hwnnw. Efallai y byddai hwn yn rhywbeth y byddech chi eisiau ei sicrhau.

properly and transparently. I would hope that any new system that may emerge to replace the trust—that that same understanding would exist and that same fairness would be provided. Perhaps this would be something that you would want to ensure.

[163] **Christine Chapman:** Thank you. I've got one very brief question from Rhodri Glyn—if you're very brief—.

[164] **Rhodri Glyn Thomas:** Yn sydyn iawn, a ydy hi'n eich poeni chi nad oes yna neb o Gymru ar y panel ymgynghori y mae'r Ysgrifennydd Gwladol wedi ei sefydlu i'w gynghori yn ystod y trafodaethau ar y siarter?

Rhodri Glyn Thomas: Very briefly, does it concern you that there is no-one from Wales on the advisory panel that the Secretary of State has established to advise him during discussions on the charter?

[165] **Yr Athro Stephens:** Rwy'n meddwl y byddai wedi bod yn ddymunol i gael rhywun a fyddai yn cynrychioli nid jest Cymru ond y cenedloedd.

Professor Stephens: Well, I think it would have been desirable to have someone representing not just Wales but the nations.

[166] **Rhodri Glyn Thomas:** Yn ddymunol neu'n hanfodol?

Rhodri Glyn Thomas: Desirable or essential?

[167] **Yr Athro Stephens:** Yn hanfodol, ie. A bod yn onest ynglŷn â'r mater, rwy'n meddwl fod yna orgynrychiolaeth o'r sector fasnachol ar y panel hefyd.

Professor Stephens: Essential, yes. To be honest, I think there is over-representation of the commercial sector on that panel too.

[168] **Rhodri Glyn Thomas:** Diolch.

Rhodri Glyn Thomas: Thank you.

[169] **Christine Chapman:** Okay. Thank you. Well, on that point, I would now like to draw this part of the meeting to a close. Can I thank both Rona and Elan for attending? I think we've had a very good airing of this subject and it will continue. We will send you a transcript of the meeting so that you can check to see if there are any inaccuracies. So, thank you very much for

coming in today. I'm now going to close the committee for a short break until 10.45. Thank you.

*Gohiriwyd y cyfarfod rhwng 10:28 a 10:44.
The meeting adjourned between 10:28 and 10:44.*

Ymchwiliad i'r Adolygiad o Siarter y BBC: Sesiwn Dystiolaeth 4—TAC a PACT
Inquiry into the BBC Charter Review: Evidence Session 4—TAC and PACT

[170] **Christine Chapman:** This next item is the fourth evidence session as part of our inquiry into the BBC charter review. I would like to give a very warm welcome to our panel. I wonder whether you could introduce yourselves and your organisation for the record. John.

[171] **Mr McVay:** Yes. Thank you very much—pleasure to be here. My name's John McVay. I'm the chief executive of PACT, which is the producers' trade association for the UK.

[172] **Mr Garlick:** Fy enw i ydy Iestyn Garlick, ac rwy'n gadeirydd TAC—Teledwyr Annibynnol Cymru. Rwy'n mynd i gario ymlaen i siarad, neu ni fydd yna unrhyw beth i'w gyfieithu. Rwy'n gadeirydd TAC, sef y corff cyfatebol i PACT yng Nghymru, ac yn Gymraeg. **Mr Garlick:** My name is Iestyn Garlick, and I am chair of TAC. I will continue speaking, or there won't be anything to translate. I am the chair of TAC, which is the corresponding body to PACT in Wales, and through the medium of Welsh.

[173] **Mr Williams:** Fi yw Gareth Williams. Rwyf hefyd yn eistedd ar fwrdd TAC. Rwy'n brif weithredwr cwmni o'r enw Rondo Media, sydd â swyddfeydd parhaol yng Nghaerdydd, yng Nghaernarfon ac ym Mhorthaethwy hefyd. Mae Rondo hefyd yn aelod o PACT, fel mae'n digwydd. **Mr Williams:** I am Gareth Williams. I'm also a member of the TAC board. I am the chief executive of a company called Rondo Media, which has permanent premises in Cardiff, Caernarfon and Menai Bridge. Rondo is also a member of PACT, as it happens.

10:45

[174] **Christine Chapman:** Thank you very much. Well, obviously, the written evidence—the Members will have read that, so, you know, we've got a number of questions and we've got a certain amount of time as well. I just want to start off: what should the BBC's remit and public purposes be in respect of Wales, and how do you think they should be addressed under the next charter? Who'd like to start? John.

[175] **Mr McVay:** Clearly, the BBC as a national broadcaster, funded by everyone across the UK, should seek, as I just heard from your previous session, to make sure that everyone across the UK feels that the BBC not only invests in the local economies, but also portrays those cultures and economies to the rest of the people of the UK. I was reflecting on your various comments to Rona and Elan, just in the previous session, that I hear the same sort of comments coming from Scotland and Northern Ireland as well. So, I think this is clearly a significant challenge for the BBC. I appreciate that maybe the BBC is not going as fast as you would like as Members of the Assembly, or as Members of the Scottish Government or the Northern Irish Assembly would like, but clearly not as fast as my members would like in Wales, who are not getting enough commissioning to produce programming that could portray Wales to the UK network. I think that a key part of the BBC's public purposes is to make sure that the investments it makes are not only about spending money in Roath Lock, but actually developing the creative talents, so that product, ideas and creativity from across the nations of the UK are represented to everyone else across the UK.

[176] **Mr Garlick:** A allaf i ddweud o'r cychwyn nad oes unrhyw fwriad gan TAC i ymosod ar y BBC? Rydym ni'n gefnogol i'r BBC. Mae yna feiau, yn naturiol, yn y BBC a beth mae pobl yn tueddu i golli golwg ohono fe ydy bod gennym ni wasanaethau yn Radio Cymru ac yn Radio Wales sydd yn gwasanaethu Cymru, ac yn gwasanaethu Cymru yn dda iawn, os ydych chi'n gallu derbyn y signal. Os ydych chi'n trafaelio lawr o Gaernarfon i Gaerdydd ar hyd yr A470, mae'n rhaid imi gyfaddef, yn fy nghar i, erbyn cyrraedd Porthmadog, nad wyf i'n ei gael o.

Mr Garlick: May I just say from the beginning that TAC has no intention of attacking the BBC? We are supportive of the BBC. There are faults in the BBC, naturally, and what people tend to lose sight of is that we have services in Radio Cymru and in Radio Wales that serve Wales and serve Wales very well, if you can receive the signal. If you're travelling down from Caernarfon to Cardiff on the A470, I must admit that, in my car, by the time I've reached Porthmadog, I don't receive it. It is a question of whether they're spending the money in the right places, but

Mae o'n gwestiwn a ydyn nhw'n gwario'r arian yn y llefydd cywir, ond rhywbeth arall yw hynny. that is something else.

[177] Ond mae'r cwestiwn, wrth gwrs, yn sefyll: a ydyn nhw'n defnyddio'r gwasanaeth i werthu Cymru, i arddangos Cymru ac i addysgu pobl y tu hwnt i Glawdd Offa am Gymru? Mae yna wendidau mawr yn y fan yna, ac, yn sicr, fel yr oedd John yn dweud, mae angen iddyn nhw fod yn rhannu'r arian gyda'r sector annibynnol. Nid yw hynny i'w weld yn digwydd yn ddigonol. But the question, of course, stands: are they using the service to sell Wales, to portray Wales and to educate people across Offa's Dyke about Wales? There are major weaknesses there and, certainly, as John was saying, there is a need for them to share the money with the independent sector. That doesn't seem to be happening sufficiently.

[178] **Mr Williams:** I ychwanegu at hynny, a gobeithio hefyd i fod mewn sefyllfa lle gallwch chi gael atebion fymryn yn fwy cadarnhaol na'r rhai a gawsoch chi yn y sesiwn diwethaf, rŷm ninnau hefyd wedi clywed ymateb Tony Hall pan fuodd e i lawr yn adeilad y Pierhead fan hyn y flwyddyn ddiwethaf yn sôn am beth oedd e'n cydnabod oedd yn ddiffyg, mewn gwirionedd, mewn meysydd penodol yr oedd y BBC wedi bod yn buddsoddi ynddyn nhw yng Nghymru, a faint o gynyrchiadau a oedd yn ymddangos ar y rhwydweithiau. Mae geirau Angela Graham yn canu yn fy mhen i—ni ddylem ni deimlo'n euog, a bod yr arian yna, yn lle cael ei wario yng Nghymru, yn cael ei wario ar agweddau eraill o gynyrchiadau rhwydwaith. Mae e'n un o *remits* y BBC i wneud yn siŵr bod y cenhedloedd yn cael arian—bod yna flaenoriaeth, bron, yn cael ei rhoi i'r **Mr Williams:** Just to add to that, and hopefully also we'll be in a situation where you'll get some more positive responses than you did in the previous session, we too have heard Tony Hall's response when he was down in the Pierhead here last year, acknowledging what he admitted were weaknesses in particular areas in which the BBC had invested in Wales and how many productions appeared on the network. Angela Graham's words come to me—we shouldn't feel guilty, and for that money, rather than being spent in Wales, to be spent in other parts of the network. It's part of the BBC's remit to make sure that the nations do receive funding—that a priority is given to the nations, if truth be told. The wide range of diverse voices certainly needs to be given more coverage on the media in general.

cenhedloedd. Mae eisiau i'r ystod eang o leisiau gwahanol yn sicr gael mwy o sylw ar y cyfryngau yn gyffredinol.

[179] Roedd yna sylw eithaf diddorol gan Blair Jenkins a oedd yn y gynhadledd ddoe. Rwy'n gwybod eich bod chi wedi bod yn trafod cynhadledd yr IWA. Y sylw a wnaeth e sy'n canu yn fy mhen i hefyd oedd ei fod e'n dod i Gymru, ei fod e'n synhwyro bod mwy a mwy o bethau'n digwydd yng Nghymru, ond bod llai a llai o rannu hynny y tu fas i Gymru, a rheini'n cael eu gweld ar y rhwydweithiau ehangach. Felly, rwy'n credu bod gennym ni sefyllfa sydd angen ei gwella.

[180] Mae hynny hefyd yn dod yn sgil dirywiad hirdymor. Mae pobl wedi bod yn cyfeirio mewn sesiynau fan hyn at rywbeth yn dechrau pydru yn 2010 pan welom ni newidiadau sylweddol yn y ffyrdd roedd darlledwyr yn cael eu hariannu, ond mae'n mynd nôl yn bellach na hynny. Os edrychwch chi ar ddadansoddi Ofcom, mae'r buddsoddi mewn rhaglenni Saesneg o Gymru am Gymru a thu hwnt i Gymru wedi bod yn mynd i lawr a lawr a lawr ers degawd a mwy bellach.

[181] Felly, rwy'n credu ei bod yn amser inni gael y math yma o drafodaethau a cheisio ffeindio atebion. Os yw'r gynulleidfa yng Nghymru—os oes yna werthfawrogiad uchel iawn o

There was quite an interesting comment by Blair Jenkins, who was at the conference yesterday. I know that you have discussed the IWA conference. What also struck me from what he said was that when he came to Wales, he sensed that there were more and more things happening here, but that less and less of that was covered outwith Wales, and less of it was seen on the wider networks. So, I do think that we are in a position where improvements are needed.

That also comes about as a result of a long-term decline. People have referred in sessions here to things starting to deteriorate in 2010 when we saw significant changes in the funding of broadcasters, but it goes back further than that. If you look at the Ofcom analysis, the investment in English-language programming from Wales about Wales and beyond Wales has been going down and down for a decade and more.

So, I do think it's time for us to have this kind of debate and to try to find solutions. If the audiences in Wales—if there is a very high appreciation of the BBC's output, well that's the perfect reason for actually investing

wasanaethau'r BBC, wel dyna'r esgus perffaith dros fuddsoddi mwy, yn fy marn i, achos mae'n amlwg bod y galw yna a bod y rhaglenni, pan fyddant yn ymddangos, yn cael eu gwerthfawrogi ac yn cael niferoedd da.

more, in my opinion, because it's clear that the demand is there and that the programmes, when they appear, are appreciated and attract good audiences.

[182] Un nodyn olaf—o ran Radio Cymru a Radio Wales, mae'r diffyg a'r golled yn y niferoedd gwrandio diweddar fanna yn profi beth sy'n digwydd pan fydd cyllidebau'n torri. Mae e'n anoddach marchnata'r cynnwys yna, ac mae e'n anoddach gweithio ar ystod eang o gynnwys ar gyfer y gorsafoedd hynny, ac mae hynny'n digwydd yn sgil toriadau eithaf sylweddol a ddigwyddodd i'r gwasanaethau hynny adeg *Delivering Quality First*, pan oedd cyllidebau Radio Cymru a Radio Wales yn cael eu torri gan y BBC ond o ran Radio 4—nid oedd yna fawr ddim newid yng nghyllido'r orsaf honno.

One last point—in terms of Radio Cymru and Radio Wales, the reductions in the listenership there does prove what happens when budgets are cut. It's more difficult to market the output, it's more difficult to work on a wide range of outputs and that is happening as a result of significant cuts that happened to those services at the time of *Delivering Quality First*, when the budgets of Radio Cymru and Radio Wales were cut by the BBC but there was hardly any change in the funding of Radio 4, for example.

[183] **Christine Chapman:** Thank you. I've got Gwyn on a specific point, then I'll bring Rhodri in.

[184] **Gwyn R. Price:** Thank you, Chair, and good morning. Just to touch on funding, what kind of funding model would TAC and PACT propose for the future of the BBC?

[185] **Christine Chapman:** John.

[186] **Mr McVay:** I think the licence fee is the best way to fund the BBC. We are staunch defenders of the BBC's licence fee, and in fact I'm on Westminster's parliamentary record as also calling for an increase in the licence fee linked to inflation over the period of the next charter. My members have experienced—as I'm sure my friends at TAC's members have experienced—cuts to programme budgets over the past 10 years, an overall

decline in programming investment, and I think if you're going to have any sensible discussion about increasing services, programming and content for across the UK, but in this context for Wales, then you have to find a way to restore the licence fee back up to the levels that will give the BBC, as you heard from Elan, the funding to invest in the ambitions that we face in the family of nations that is now the UK. So, we are very staunch defenders of the BBC licence fee; I have to also put on the record that I'm not necessarily a staunch defender for the people who spend the licence fee. [*Laughter.*]

[187] **Mr Garlick:** Byddwn i hefyd yn cytuno â'r hyn y mae John yn ei ddweud, rwy'n credu y byddai TAC yn ddigon hapus i barhau gyda status quo ffi'r drwydded, ond hefyd mae eisiau ystyried sut mae talu am bethau fel yr iPlayer a phethau, a sut mae cael pethau ar y platfformau ychwanegol yma. Ar hyn o bryd, wrth gwrs, nid ydy S4C wedi cael ei chreu ar gyfer hynny. Mae angen edrych ar sut maen nhw'n gallu creu ychydig bach o arian, o bosib o fynd ar y we. Ond nid ydy'r we yn ddiwedd y byd—y peth pwysig ydy bod gennym ni ddarlledwr go iawn yn S4C. Dyna sy'n bwysig.

Mr Garlick: I would also agree with what John has said. TAC would be quite content to continue with the status quo of the licence fee, but also there is a need to consider how to pay for things such as iPlayer and so forth, and how getting these things on these additional platforms is achieved. At the moment, of course, S4C hasn't been created for that, so there is a need to look at how they can create a little bit of money, perhaps by going on the internet. But the internet isn't the end of the world—the most important thing is that we have a real broadcaster in S4C. That is what's important.

[188] **Christine Chapman:** Okay. Gareth.

[189] **Mr Williams:** Rwy'n meddwl o ran y buddsoddiadau sydd yn digwydd, rŷm ni'n ymfalchio yn y buddsoddiadau sydd wedi digwydd, gan y BBC, mewn dramâu er enghraifft, ond, i fi, nid yw'r darlun hwnnw'n gyflawn. Rŷch chi'n buddsoddi'n helaeth iawn mewn adeilad newydd ac adnodd newydd sydd yn creu nifer o gynyrchiadau rhwydwaith poblogaidd, safonol sydd yn y gwerthu'n fyd-eang, ond bob tro

Mr Williams: I think in terms of the investment taking place, we do take pride in the investments made by the BBC in drama, for example, but, for me, that picture is incomplete. You are investing extensively in a new building and a new resource that creates a number of network productions—very popular, quality productions that are sold on a global level—but every time there's a justification for expenditure. As a

mae yna ryw fath o gyfiawnhad dros wariant, dros agweddau ariannol. Fel rhywun sydd yn cynhyrchu, beth sydd fwyaf defnyddiol i gynhyrchydd yw cael agosatrwydd at bobl sydd yn gallu gwneud penderfyniadau, pobl sydd yn gallu comisiynu, a'r bobl sydd yn gallu penderfynu ar gyfer y gwariant ar gynyrchiadau.

[190] Hyd y gwelaf i, nid yw'r gallu yna, y grym yna, yn bodoli yn BBC Cymru. Nid yw'r gallu ganddyn nhw i gomisiynu'n uniongyrchol ar gyfer y rhwydwaith. Rwy'n meddwl bod hynny'n rhywbeth sydd angen i ni edrych arno fe, os ydym ni'n dechrau ailedrych ar beth yw—. Eto, gan gyfeirio yn ôl at y sesiwn ddoe ac at y sylwadau gan James Purnell ac Elan yn sôn am *service licence* i Gymru— yn hytrach na bod y rhain i gyd yn ddarniog, bod yna rannau bach fan hyn yn sôn am gyllideb ar radio a theledu ac *opt-outs* ac ar-lein, ond nad oes unrhyw beth yn clymu'r rhain at ei gilydd sydd yn ateb y gofyn ynglŷn â beth sydd ei angen ar Gymru a beth wnaiff helpu Cymru i gynhyrchu mwy y tu hwnt. Darlun o'r byd drama yna yw'r BBC, wrth gwrs. Mae Llywodraeth Cymru wedi bod yn buddsoddi mewn cynyrchiadau mawr gyda stiwdios ac mae yna ddatblygiadau eithriadol o gyffrous yn dod â mwy a mwy o waith i mewn i Gymru. Ond rwy'n credu bod angen—fel y mae tystiolaeth PACT yn ei ddweud yn gryf iawn—gwneud yn siŵr bod cwmnïau cynhenid Cymreig yn gallu elwa o fodolaeth rhywbeth

producer, what's most important is to be close to the people who make the decisions, those people who commission, and those people who decide on production expenditure.

As far as I can see, that ability, that power, doesn't exist within BBC Wales. They don't have the ability to commission directly for the network. I think that's something that needs to be addressed, if we start to review—. Again, referring back to yesterday's session and comments by James Purnell and Elan Closs Stephens when they talked about a service licence for Wales—rather than it all being patchy, that there are parts here talking about budgets for radio and opt-outs and TV budgets and on-line, but that there is nothing actually tying all of those things together that would actually meet the requirement in terms of what Wales needs and what will help Wales to produce more. The BBC is a microcosm of that drama world, of course. The Welsh Government has invested in studios and there are very exciting productions bringing more and more work into Wales. But I think there is a need—as the PACT evidence demonstrates most strongly—to ensure that indigenously Welsh companies can benefit from the existence of something like Roath Lock, and can invest and develop

fel Roath Lock, a buddsoddi a datblygu dramâu a wnaiff, gobeithio, gyrraedd y rhwydweithiau ehangach.

[191] Yn bersonol—un nodyn olaf—nid ydw i'n credu y dylai'r BBC ymddiheuro am gomisiynu a darlledu cyfres ddrama Saesneg i wylwyr yng Nghymru, er enghraifft. Maen nhw wedi ffeindio eu hunain mewn sefyllfa, bron, lle nad ydyn nhw'n gallu fforddio gwneud hynny, achos maen nhw'n rhan-ariannu cyfresi sydd yn ymddangos ar rwydweithiau eraill—nid bod dim byd yn bod ar y model hwnnw, ond mae rhywun rhywle yn edrych ar bris ddrama yr awr sy'n cael ei chynhyrchu yng Nghymru ac yn gweld bod yna ffyrdd tsiepatch o'i chael na buddsoddi'n llawn mewn drama—ac rwy'n siŵr y byddai drama Saesneg yng Nghymru yn boblogaidd iawn gyda gwylwyr yng Nghymru.

[192] **Mr Garlick:** A gaf i wneud un pwynt sydyn? A derbyn bod y ffi drwydded yn dderbyniol ac yn gweithio, dro ar ôl tro, rydym yn clywed Rona Fairhead yn dweud bod gan Rhodri yn BBC Cymru ei gyllideb, wel mae'n amlwg felly nad yw'r gyllideb mae o'n ei chael yng Nghymru yn ddigonol. Mae angen iddo fe gael arian ychwanegol fel ei fod e yn gallu comisiynu dramâu ar gyfer y rhwydwaith; nid ei fod yn gorfod mynd efo'i gap i fyny'r lôn, i fyny'r M4 i Lundain, a gofyn, 'Plîs, a gaf fi arian i wneud rhywbeth yn fan hyn?', ac o bosib, wedyn, byddai'r

dramas that will, hopefully, get to those wider networks.

Personally—a final note—I don't think the BBC should apologise for commissioning and broadcasting an English-language drama series for viewers in Wales. They've found themselves almost in a position where they can't afford to do that, because they part-fund series that appear on other networks—not that there is anything wrong with that model, but someone somewhere is looking at the price per hour of drama being produced in Wales and seeing that there are cheaper ways of achieving that rather than investing fully in drama—and I'm sure that an English-language drama in Wales would be very popular with viewers in Wales.

Mr Garlick: May I make another quick point? Accepting that the licence fee is acceptable and working, time after time, we hear Rona Fairhead say that Rhodri in BBC Wales has his budget, well, it's obvious, therefore, that the budget that he receives in Wales isn't sufficient. There is a need for him to have additional funding so that he can commission dramas for the network, and not have to go cap in hand up the M4 to London to ask, 'Please, may I have some money to do something here?', and possibly, then, that that money would be transferred to the independent

arian yna yn cael ei drosglwyddo i'r sector, which is vital to us on this sector annibynnol, sydd yn side of the table, of course. Thank hollbwysig i ni ar ochr yma'r bwrdd, you. wrth gwrs. Diolch.

[193] **Christine Chapman:** John.

[194] **Mr McVay:** Yes, thank you very much. Just as a corollary to the previous comment, PACT was instrumental in getting the BBC to instigate the network supply review, which is 50 per cent of all its network spend, to be spent outside of London. We spent several years lobbying for that and then we spent several years making sure the BBC would actually do it, which is always a challenge. But, I have to say—and this is one of the issues I face across the country—everyone wants more money, but you're robbing Peter to pay Paul, or Jock, or whoever. The 6 per cent that Wales gets is 6 per cent of network. I think the bigger debate you should have is: is that 6 per cent of network production originating in Wales, from Wales to the network, or is it 6 per cent of programming that's been moved to Wales to qualify? That's the distinction. The 6 per cent is a huge amount of money; it's £56 million, of which only £2 million is actually being spent in your independent production sector. That's the challenge that we think the BBC faces.

[195] Phase one of out of London, the network supply review, was what we called 'lift and shift'—they lifted production from out of London to break the metropolitan hold on those productions and moved them to the nations and regions of the UK. That was phase one. The thing that causes me a lot of work and a lot of debate with the BBC is phase two, which is how you build capacity across the nations and regions to create ambitious, creative, successful network programming, because if you don't do that, you do not get the global economic benefits back into your local economy. Yes, you'll get spend at Roath Lock, you'll have skills, but you're not getting intellectual property, you're not getting the distribution revenues that build businesses.

[196] In fact, I was listening to the Under-Secretary of State from the Wales Office yesterday extolling the virtues of a successful Welsh independent sector. Now, reflect on the fact that, as a Conservative, his own Secretary of State, John Whittingdale, has currently instructed Ofcom to produce a report into the terms of trade, which is the legislation that underpins the success of Welsh independent producers, allowing them to own their intellectual property rights. I would urge this committee to make representations to the Under-Secretary of State to safeguard the interests of Welsh independent

producers, including Welsh language producers, who are subject to the same legislation, so that John Whittingdale does not change the legislation, which would remove their right to own the IP. Otherwise, we are having a very pointless discussion about the future, because the independent production sector in Wales would not own anything to get the benefits. So, I think those two things need to be carefully considered as well.

[197] **Christine Chapman:** Okay. Thank you, John. Now, I've got Rhodri Glyn and Bethan who wanted to come in.

[198] **Rhodri Glyn Thomas:** A gaf i jest bigo lan ar y pwynt a wnaeth John McVay yn awr? Wrth gwrs, rydym ni'n gwerthfawrogi'r ffaith bod y cynyrchiadau rhwydwaith yma sy'n cael eu cynhyrchu yng Nghymru yn creu swyddi a sgiliau, ond fe gawson nhw eu symud i Gymru ac nid oes dim byd i atal y BBC ar ryw adeg i'w symud nhw o Gymru. Ni fydd yna waddol ar ôl o'r rheini, oherwydd eu bod nhw'n bethau sydd wedi dod i mewn, a phan fyddant yn mynd allan, os ânt allan, ni fydd dim byd ar ôl. Ond, o ran cynyrchiadau o Gymru, am Gymru, sy'n portreadu Cymru—ac mae lestin wedi ateb y cwestiwn yma, i raddau—a oes rhaid inni gydnabod mai mater o gyllideb y BBC yw hyn, mewn gwirionedd, yn hytrach na pholisi, neu a oes yna lawer iawn y gellir ei wneud hyd yn oed o fewn y cyfyngiadau cyllidol sy'n bodoli ar hyn o bryd?

Rhodri Glyn Thomas: May I just pick up on the point that John McVay made now? Of course, we appreciate the fact that these network productions that are produced in Wales create jobs and develop skills, but they were moved to Wales and there is nothing to stop the BBC, at any time, from moving them from Wales. There will be no legacy as a result of those, because they are things that been brought in, and when they go out, if they do go out, there will be nothing left. But, in terms of productions from Wales, about Wales, which portray Wales—and lestin has answered this question, to some extent—do we have to acknowledge that this is a matter relating to the BBC's budget, in reality, rather than policy, or is there much that can be done even within the funding restrictions that exist at the moment?

11:00

[199] **Mr Garlick:** Rwy'n credu, i raddau, fod gan y BBC yn dal y broblem gydag acenion Cymreig mewn dramâu Cymreig. Mae o'n wir,

Mr Garlick: I think, to a certain extent, that the BBC still has a problem with Welsh accents in Welsh dramas. I think it's true that a drama

mae'n debyg, fod drama wedi cael ei chomisiynu flynyddoedd lawer yn ôl, cafwyd yr arian ac fel roedd y person yma yn gadael yr ystafell fe wnaethon nhw ddweud, '*Don't make it too Welsh*'. Dyna'r agwedd, ac rwy'n credu bod yr agwedd yna yn bodoli o hyd; mae'n rhaid i ni edrych ar hynny.

[200] Ond, nid yw'n hollol wir, Rhodri, na fydd yna ddim gwaddol. Mae yna gynhyrchwyr a thechnegwyr yn cael eu hyfforddi yn Roath Lock, ac mae nifer ohonyn nhw wedi symud ymlaen o fod yn gwneud *Pobol y Cwm* yn fanna i fod yn gwneud pethau rhwydwaith—rwy'n sôn yn benodol am *Broadchurch* yn y fan hyn—sydd wedi dod trwy'r system yna. Felly, mae yna ryw faint o waddol, ond ni fydd cymaint o waddol ag y byddai rhywun yn dymuno ei gael. Ac hefyd, ar y llaw arall, mae'n wir i ddweud bod rhywbeth fel Roath Lock yn codi costau pobl llawrydd i ni fel sector annibynnol, achos nid ydym yn gallu cystadlu gyda chyllidebau y BBC. Os wyf i eisiau gwneud drama ym Mhenarth ac rwyf eisiau dyn sain, ac mae gan y dyn sain gynnig i fynd i weithio yn Roath Lock neu ddod ataf i ym Mhenarth, rwy'n gwybod lle mae'n mynd i fynd.

[201] **Mr Williams:** Efallai ei fod wedi amlygu rhyw wahaniaeth. Er ei fod yn cyfrannu'n enfawr at ddatblygiad sgiliau—ac rwy'n cytuno bod yn rhaid sicrhau'r gwaddol yna—dyna pam

was commissioned many years ago, and the funding was made available and as this individual left the room, they were told, 'Don't make it too Welsh'. That's that the attitude, and I think that this attitude persists; we have to address that.

But, it's not entirely true to say, Rhodri, that there will be no legacy. There are producers and technicians who are being trained in Roath Lock, and many of them have progressed from working on *Pobol y Cwm* to working on network output and then move on to working on programmes such as *Broadchurch*, for example, and they've come through that system. So, there is some legacy, but not as much perhaps as one would like to have seen. And also, on the other hand, it is true to say that something like Roath Lock does actually increase the cost of freelancers for us in the independent sector, because we can't compete with the BBC's budgets. If I want to produce a drama in Penarth and I want a sound man, and the sound man's been given an offer to work at Roath Lock or to work with me in Penarth, I know where he'll go.

Mr Williams: Perhaps it has highlighted some difference. Although it's contributing enormously towards skills development—and I agree that we

rwy'n credu bod buddsoddi mewn gwahanol fathau o ddrama yn bwysicach, yn hytrach na'i fod jest yn dod yn rhyw fath o siop ffenest ar gyfer cynyrchiadau drudfawr iawn. Achos rydych chi'n sôn am gyddestun hefyd o sector annibynnol, er enghraifft, sydd yn cynhyrchu nifer o ddramâu i S4C, ond mae cost drama yr awr ar S4C wedi mynd lawr o agos at £200,000 yn 2010 i dan £140,000 nawr. Mae hwnnw'n wahaniaeth sylweddol iawn gyda dramâu sydd yn ceisio bod yn uchelgeisiol ac yn safonol ar y sgrin. Felly, mae yna amlygu yn digwydd yn fanna, rwy'n credu, rhwng y gwahanol fathau o ddramâu, ac o bosib rhyw *gap* yn y canol.

[202] Ac eto, rwy'n credu bod yna gyfresi dychwelyd—mae John eto wedi gwneud y pwynt ynglŷn â diffyg cyfresi dychwelyd o Gymru sydd yn adeiladu momentwm, sydd yn adeiladu swmp o waith, ac wedyn yn galluogi cwmnïau annibynnol i ddatblygu ac i hyfforddi. Mae'n digwydd i raddau ar hyn o bryd gyda Channel 4, er enghraifft, sydd wedi gweld bod yna ddiffyg comisiynu o Gymru wedi bod ar eu gwasanaeth nhw, ac maen nhw wedi bod yn comisiynu *bulk*—comisiynu *volume* o waith gan gwmni annibynnol sydd wedyn yn gallu buddsoddi, sydd yn gallu datblygu staff ac sydd yn gallu rhoi profiadau i staff o ran gweithio ar gynyrchiadau rhwydwaith. Llawer gwell hynny na senario lle mae yna gomisiynydd, o bosib yn Llundain, yn

have to ensure that legacy—that is why investing in different types of drama is more important, rather than it just being a shop window for expensive productions. Because you're also talking about the context of an independent sector, for example, that's producing a number of dramas for S4C, but the cost per hour on S4C has gone down from about £200,000 in 2010 to under £140,000 now. That is a significant difference in terms of dramas that are trying to be ambitious and of quality on the screen. So, there is differentiation there between the different kinds of dramas, and perhaps some sort of gap in the centre.

Again, I think there are series that are returning—John again made the point about a lack of returning series from Wales that build momentum, that build a body of work and enable independent companies to develop and train. It's happening at the moment to a degree with Channel 4, for example, which has seen that there's a lack of commissioning from Wales on their service, and they've been bulk commissioning—commissioning a volume of work from independent companies that can then invest and develop staff and provide experiences to staff of working on network productions. That is a much better scenario than where you have a commissioner, perhaps in London, saying, 'No, you have to use this producer, this

dweud, 'O, na, mae'n rhaid i chi ddefnyddio'r cynhyrchydd yma a'r cyfarwyddwr yma a'r golygydd yma', a'i fod yn cael ei reoli, ac mewn gwirionedd wedyn ni fyddai Cymru yn elwa'n ddigonol o ddatblygu staff. Mae hynny, yn fy mhrofiad i, yn dechrau gwella nawr. Ond, yn sicr, fe ddylai fod yn fuddsoddiad tymor hir, pellgyrhaeddol, nid yn rhywbeth sydd jest yn ateb gofynion *in-house* y BBC.

[203] **Rhodri Glyn Thomas:** Y rheswm roeddwn i'n codi'r cwestiwn yma ynglŷn â'r gyllideb sydd ar gael i'r BBC yng Nghymru ar hyn o bryd ydy oherwydd y rhwystredigaeth rydym ni'n ei theimlo. Nid oeddwn yn cytuno â'r hyn roedd Elan Closs Stephens yn ei ddweud mai dim ond yn ddiweddar mae'r drafodaeth yma wedi codi—mae'r drafodaeth yma wedi bodoli ers dros ddegawd yng Nghymru ynglŷn â'r ffordd mae Cymru yn cael ei phortreadu gan y BBC. Rwy'n credu cyn hynny ei fod yn wir fod llawer iawn ohonom ni wedi bod yn canolbwyntio ar S4C, a pheidio â chynhyrfu'r dyfroedd oherwydd hynny. Ond, dros y ddegawd ddiwethaf, mae'r drafodaeth yma wedi datblygu, ond nid oes dim byd wedi newid yn sylfaenol o ran y ffordd mae Cymru yn cael ei phortreadu ar y cyfryngau. Hynny yw, ai mater polisi yw hynny? Ai mater meddylfryd yw e, fel roedd Iestyn yn awgrymu? Ai dyna yw e, neu jest problem sylfaenol nad yw'r arian gan y BBC yng Nghymru i'w wneud e?

director, this editor' and that that is managed from there and then, in all honesty, Wales wouldn't benefit sufficiently from the development of staff. That, in my experience, is starting to improve. But, certainly, it should be a long-term, far-reaching investment that doesn't just answer the in-house requirements of the BBC.

Rhodri Glyn Thomas: The reason I raised this question on the budget available to the BBC in Wales at present is the frustration that we feel. I didn't agree with Elan Closs Stephens' comment that it's only recently that this debate has arisen—this has been going on for over a decade in Wales in terms of the way that Wales is portrayed by the BBC. I think before then it was true to say that many of us had been concentrating on S4C and hadn't been muddying the waters because of that. But, over the past decade, this debate has gathered momentum, but nothing has really changed fundamentally in terms of the way Wales is portrayed in the media. Is that a policy issue or an issue of mindset as Iestyn suggested? Is it that, or is it a fundamental problem that the BBC simply doesn't have the money available to do it?

[204] **Christine Chapman:** John, would you like to come in on this?

[205] **Mr McVay:** Yes, and I'm sure Iestyn will add more to this. I would just reflect on your comment about 'don't make it too Welsh'. Obviously, you can tell from my accent that I'm from another part of the country. It's interesting when you think about all the continuity announcers on all the major networks—they're all from Manchester, Newcastle, Wales, Glasgow, so I don't understand—. I don't think the British public actually have a problem with things that are too anything; I think we are in a very diverse country. I think our different accents and cultures are our strength, and indeed are used to help commercial channels advertise their programmes. So, I think that it may be a problem amongst a certain group of commissioners where they think that. I don't really think the British public think that, because they have friends and relatives living in all parts of the country. So, hopefully, that's something that's going to change, but it does go to a point that I think is important as well, which is the diversity of our industry. It needs to be more diverse, so that these comments are a thing of the past, and I think that's important.

[206] In terms of what you can do more with the money you have locally—and this is something I said at the IWA conference yesterday, and something we've been asking the BBC to engage with—the nations have dedicated opt-out budgets, so there's a spend for Wales, and there's a spend for Scotland and there's a spend for Northern Ireland to make programming just for those communities. If you live in England, you don't get that. All my members in England can only make network programming; they can't make English opt-out, or network. So, it's a strength; it's an economic two-market system. What we've long argued is that that money should be better used to develop local companies to be ambitious for network. So, instead of it being, 'You're sitting over here and that's Wales', it should be, 'This is an incubator for talent to help develop programmes for portrayal from Wales to the rest of the network', because that's a lot of money that you could use to help develop that talent. And, indeed, that's what's happened with some companies in Scotland: a comedy company in particular, that changed their business, and they become a network comedy supplier from making local Scottish comedy. Most of the time, I'm sure they were told, 'Don't make it too Glaswegian.' So, I think you've got to start looking at the money and cleverer ways to spend it and align it to the opportunities. We know there's not going to be more money, but I think it's about how you spend it and the balance between wanting something that's specifically about Wales or Scotland, but can you use that talent, and help develop that talent, to make things for the rest of

the country?

[207] **Christine Chapman:** Okay. Gareth.

[208] **Mr Williams:** Rwy'n credu bod y feddylfryd yn dechrau gwella, ond mae lot mwy o le i fynd, ac un ffordd dda i'w gwella eto fyth yw peidio gor-ganoli'r penderfyniadau o ran cynnwys ac elfennau golygyddol a chyllidol mewn un lle. Mae'n rhaid i'r rheini, yn fy marn i, gael eu symud yn decach ac yn fwy cytbwys ar draws y Deyrnas Unedig, os yw'r BBC o ddifri ynglŷn â beth maen nhw'n ysgrifennu mewn datganiad ac adroddiadau ynglŷn â gwneud yn siŵr bod y cenhedloedd a'r rhanbarthau yn cael eu gweld a'u clywed, a'u trin yn deg ac yn gytbwys. Ac mae hynny yn cydfynd â pholisiau ynglŷn ag amrywiad a gwahaniaeth o ran portread a phethau fel hynny. Maen nhw'n dod yn fwy ac yn fwy pwysig i ddarlledwyr, ac nid jest y BBC.

Mr Williams: I think that the mindset is starting to change, but there is a long way to go, and one effective way of changing it is not to overcentralise the decisions on content, and editorial and funding issues in one place. Those decisions, in my opinion, have to be devolved more fairly and in a more balanced fashion across the UK, if the BBC is serious about what they put in their statements and reports on ensuring that the nations and regions are properly seen and heard, and treated fairly and in a balanced way. And that is in line with policies on diversity and differences in terms of portrayal and things like that. They are becoming more and more important for broadcasters, not only the BBC.

[209] **Christine Chapman:** Iestyn.

[210] **Mr Garlick:** Nid wyf yn credu ei fod e'n fater o bolisi—rwy'n credu y byddai'n annheg i ddweud hynny—ac nid wyf chwaith yn credu ei bod hi'n fater o'r gyllideb, achos nid wyf yn credu am un eiliad fod y BBC wedi symud o Lundain i Gaerdydd, neu i Salford, achos ei fod e'n costio'r un faint. Mae e'n rhatach yng Nghaerdydd; mae e'n rhatach yn Salford; felly, mae e'n dilyn y byddai creu dramâu am Gymru, yng Nghymru, yn rhatach na'r dramâu

Mr Garlick: I don't think it's a matter of policy—I think it would be unfair to say that—and I don't think either that it's a matter of the budget, because I don't think for one second that the BBC has moved from London to Cardiff, or to Salford, because it costs the same. It is cheaper in Cardiff; it's cheaper in Salford; therefore, it follows that creating drama about Wales, in Wales, would be cheaper than the dramas they are producing in London. So, I don't

maen nhw'n gwneud yn Llundain. Felly, nid wyf yn gwybod beth yw e; mae'n ddrwg gennyf nad wyf wedi ateb y cwestiwn, ond nid wyf yn credu ei fod yn bolisi, ac nid wyf chwaith yn credu mai'r gyllideb yw e: mae yna ryw broblem.

[211] **Mr Williams:** Ni chlywais unrhyw un yn dweud nad oedden nhw wedi mwynhau *The Fall*—a ydych chi'n cofio'r gyfres arbennig yna gyda Gillian Anderson a Jamie Dornan—achos bod e'n rhy Wyddelig. Mi oedd hi'n ddrama ardderchog a oedd yn cael ei mwynhau gan wylwyr ym mhobman. Ac, i ddweud y gwir, mae'r rhai sydd yn llwyddo fwy yn apelio i gynulleidfaoedd y tu hwnt i Gymru, y tu hwnt i Brydain. Rwy'n meddwl bod 80 miliwn o bobl Tsieineaidd wedi gwyllo *Sherlock*, felly mae'r dramâu safonol sydd yn boblogaidd iawn yn mynd i deithio, yn mynd i gael eu hallforio, ac mae eisiau ffeindio mwy o ffyrdd i hynny ddigwydd, ac i'r sector gynhyrchu annibynnol fod yn rhan allweddol o hynny.

know what it is; I apologise that I haven't answered the question, but I don't think that it's policy, and I don't think that it's the budget either: there is some sort of problem.

Mr Williams: I haven't heard anyone saying that they didn't enjoy *The Fall*—do you remember that wonderful series with Gillian Anderson and Jamie Dornan—because it was too Irish. It was an excellent drama that was enjoyed by viewers everywhere. And, to be honest, those that do succeed appeal to audiences beyond Wales and beyond the UK. I think 80 million Chinese people watched *Sherlock*, so the quality output that is very popular will travel, and will be exported, and we must find more ways of ensuring that that does happen, and that the independent production sector is a key part of that.

[212] **Rhodri Glyn Thomas:** Diolch.

Rhodri Glyn Thomas: Thank you.

[213] **Christine Chapman:** Okay; thanks. Bethan, then Alun.

[214] **Bethan Jenkins:** Just to come back on your comment. In a recent survey, I think it was the south-west, the Swansea area, that people said, across the UK, was the most popular accent. So, I think we need to have more representation on network just by virtue of the dulcet tones of our area. Anyway, I digress. The question I wanted to ask was with regard to the issue on the licence fee. Specifically, from yesterday, the suggestion that we could have a situation where it would be specifically devolved in a

roundabout way to Wales, so that the Rhodri Talfan Davies's of this world would have more flexibility with that system. Obviously, the BBC didn't say that they were supportive or not yesterday, but I wondered about your views.

[215] And, the second question, just because I think it would help me understand is: because you're not getting work from portraying Wales in Wales or on the network, are you then having to seek work outside of Wales? Can you give us an idea then—for example, on commissioning—what the percentages are of you going out and seeking work that you could be doing in Wales but you can't because of the funding structures that the BBC has, which don't allow for you to do that? I think that would help the committee understand what you're doing that is outside of the remit, then, of the BBC, even though that's such a big player.

[216] **Mr Williams:** Rwy'n credu bod y cynhyrchwyr yn wastad yn mynd i fod yn edrych am gyfleoedd, ac maen nhw'n edrych am gyfleoedd i gwrdd ag unigolion sydd yn gallu gwneud penderfyniadau comisiynu. Os yw'r BBC wedi ceisio rhoi rhyw strwythur yn ei le sydd i fod i fod yn hyrwyddo cynyrchiadau y maen nhw'n eu galw'n *nations to network*—cynyrchiadau o Gymru sy'n ymddangos ar y rhwydweithiau—nid wyf yn siŵr bod hynny'n cael ei gyfathrebu yn ddigon clir gan y rhai hynny sydd i fod yn ei weithredu a nad yw'n cael ei ddeall yn ddigonol gan y sector sydd yn chwilio am y cyfleoedd hynny. Felly, mae rhywbeth yn hynny nad yw'n gweithio i fi; nid yw i'w weld yn esgor ar nifer eang o gynyrchiadau sydd yn cael eu gweld yn gyntaf ar BBC Cymru ac wedyn yn symud i'r rhwydweithiau. Mae yna rywbeth ar goll yn y ffordd y mae hynny'n cael ei weithredu ar hyn o bryd.

Mr Williams: I think that the producers are always going to be seeking opportunities, and they're seeking opportunities to meet individuals who can make commissioning decisions. If the BBC has tried to put a structure in place that's supposed to promote nations-to-network productions—productions from Wales that appear on the network—then I don't think that is being communicated clearly enough by those that are supposed to be communicating it and isn't sufficiently understood by the sector that is seeking those opportunities. So, there is some disconnect there; it doesn't seem to be bringing forth a huge range of productions that are first seen on BBC Wales and then moved on to the network. There is something missing in the way that that's being done at present.

[217] Yn llawer doethach, rwy'n meddwl, ydy i'r comisiynwyr sydd yn comisiynu yn uniongyrchol ar gyfer y gwahanol *genres* ac ar gyfer gwahanol wasanaethau i gomisiynu yn uniongyrchol gan y cynhyrchwyr. Mae trio creu rhyw strwythur—. Mae'r BBC yn eithaf da am ddod lan gyda strwythurau. Mae'r ddelwedd yma o fersiwn y BBC o *musical chairs*—pan fo'r gerddoriaeth yn stopio, maen nhw'n ychwanegu cadair. Weithiau, maen nhw'n creu rhyw strwythur sydd i fod i fod yn llawn pwrpas da i helpu achos rhywbeth, ond sydd yn gallu ei gloffi fe, yn llawer rhy aml. Felly, rwy'n credu bod eisiau ffeindio ffordd fwy uniongyrchol o gael comisiynwyr yma yng Nghymru. Un mater yw cael rhywun yma yn barhaol; mater arall yw eu bod nhw jest yn ymweld yn fwy aml â Chymru.

[218] Un newid mawr, o'i gymharu Channel 4, eto, oedd y newid wrth inni gael ychydig o gyfresi a rhaglenni gyda nhw yn ddiweddar; roedd y comisiynwyr nid yn unig yn dod i weld y cynhyrchwyr yn ein swyddfeydd ni yng Nghymru, ond roedden nhw'n dod ac yn gwylio rhaglenni ac yn gwylio'r fersiynau gorffenedig wedi'u golygu yma yng Nghymru. Mae hynny, i fi, yn newid sylfaenol. Mae yna newid agwedd, i ddod yn ôl at beth oedd Rhodri yn dweud ynglŷn ag agwedd tuag at beth mae Cymru yn gallu ei wneud. Mae llawer gwell syniad gan gomisiynydd beth yw datblygiad cynlluniau busnes cwmni wrth fod

It would be far wiser, in my view, for the commissioners that commission directly for the various genres and the various services to commission directly from the producers themselves. Trying to create some sort of structure—. The BBC is quite good at coming up with structures. There's this image of the BBC's version of musical chairs—when the music stops, they add a chair. Sometimes, they create a structure that is supposed to be well intentioned and is supposed to help with a case, but it can hamstring it, on far too many occasions. Therefore, I think we need to find a far more direct way of getting commissioners here in Wales. It's one thing to get someone here permanently; it's another that they should just visit Wales more often.

One major change, if we look at Channel 4 again, was the change when we had a few series and programmes with them recently; the commissioners not only came to see the producers in our offices here in Wales, but came and watched the programmes and watched the finished edited products here in Wales. For me, that is a step change. There's a change of attitude, to return to Rhodri's comments on the attitude towards what Wales can do. A commissioner has a far better idea of what the business plans of a company are through visiting them, rather than getting a DVD or a file on e-mail and watching it on their

yna'n ymweld â nhw yn hytrach na chael DVD neu ffeil dros e-bost iddyn nhw ei wyllo ar *laptop* pan fo amser gyda nhw ar ddiwedd y dydd. Mae hynny'n newid meddylfryd. Felly, rwy'n credu bod cynhyrchwyr yn wastad yn chwilio am gyfleoedd, ac mae yna gyfle euraidd yn y fan hyn, yn fy marn i, i'r BBC fod yn gwneud llawer, llawer mwy dros y cenhedloedd, a llawer mwy dros Gymru.

[219] **Mr Garlick:** Rydym ni, fel sector, yn sicr yng Nghymru, wedi cael ein cyhuddo dros y blynyddoedd o fod yn llawer iawn yn rhy ynghlwm efo S4C, yn rhy ddibynnol ar S4C. Rwy'n credu mai 'apron strings' oedd yn cael ei ddefnyddio. Nid yw hynny'n wir, achos, mae'r rhan fwyaf o'r cwmnïau rwy'n gwybod amdany'n nhw, maen nhw i gyd os nad yn gwneud rhaglenni i Channel 4, Channel 5 a'r BBC, yn sicr yn trio gwneud rhaglenni iddyn nhw ac yn cynnig syniadau fan hyn a fan draw.

[220] Byddwn i'n gwneud un pwynt bach ychwanegol: heb y sector annibynnol yng Nghymru a thu hwnt sydd yn gwneud rhaglenni yn yr iaith Gymraeg, beth fyddai S4C yn ei ddangos? Pwy sy'n ddibynnol ar bwy yn y fan hyn? Byddwn i'n dweud bod S4C yn ddibynnol ar y sector, nid ein bod ni yn ddibynnol ar S4C. Rydym ni'n gweithio efo'n gilydd; dyna sy'n bwysig.

[221] **Mr Williams:** Rwy'n mynd yn ôl,

laptop when they have time at the end of the day. So, that's a change of mindset. So, I think producers are always looking for opportunities, and there is a golden opportunity here for the BBC, in my view, to be doing far, far more for the nations, and far more for Wales.

Mr Garlick: As a sector, certainly in Wales, we have been accused over the years of being too associated with S4C and too dependent on S4C. I think 'apron strings' was the phrase that was used. That isn't true, because most of the companies that I know of, if they're not making programmes for Channel 4, Channel 5 and the BBC, they're certainly trying to make programmes for them, and they're offering ideas here and there.

I would make one additional point: without the independent sector in Wales and beyond that produces programmes in the Welsh language, what would S4C be broadcasting? Who is dependent on whom here? I would say that S4C is dependent on the sector, not us dependent on S4C. We work together; that is what's important.

Mr Williams: I'd return, in a way, to

mewn ffordd, i'r pwynt a gododd Tony Hall pan fuodd yn gwneud ei araith, ynglŷn â diffyg yr oedd ef wedi'i adnabod. Wel, mae yna amser wedi bod i wneud rhywbeth am y diffyg hwnnw, ac nid oes dim byd yn rhwystro'r BBC rhag gwneud rhywbeth yn sgîl hynny—dweud wrth y sector, 'Mae yna gyfleoedd comisiynu fan hyn; dewch â syniadau atom ni, ac, os ydyn nhw'n syniadau da, sy'n mynd i fod yn apelgar ac yn gweithio efo'r cynulleidfaoedd, fe wnawn ni weithio gyda chi i'w datblygu nhw a, gobeithio, eu comisiynu nhw'.

[222] **Bethan Jenkins:** Roedd Elan Closs Stephens yn dweud nad oedd yn gallu digwydd dros nos, ond rydych chi'n dweud nad ydyn nhw wedi ymateb yn ddigon cyflym i—

[223] **Mr Williams:** Nid yw'n gallu digwydd dros nos, ond mae'n gallu digwydd dros gyfnod. Erbyn iddo ddod nesaf, yn awr, fis Tachwedd, bydd yn ddifyr gweld a oes yna dystiolaeth ganddo i weld bod yna ddatblygiadau wedi bod yn y meysydd hynny, neu byddwn ni'n rhoi tystiolaeth eto mewn pump neu 10 mlynedd a bydd y diffyg yn dal yna a bydd y crebachu wedi mynd yn waeth. Felly, mae yna amser digonol wedi bod iddyn nhw feddwl ynglŷn â threfn ar gomisiynu ac ar adnabod cyfleoedd comisiynu.

the point raised by Tony Hall when he made his speech here on the deficiencies that he'd identified. Well, there's been time to address that, and there is nothing precluding the BBC from taking action—telling the sector, 'There are commissioning opportunities here; bring your ideas to us, and, if they are good ideas that will appeal to an audience, then we will work with you to develop them and, hopefully, they will be commissioned'.

Bethan Jenkins: Elan Closs Stephens said that it can't happen overnight, but you say that they haven't responded swiftly enough to—

Mr Williams: No, it can't happen overnight, but it can happen over a period of time. By the time he comes again, in November, it will be interesting to see whether there will have been developments in these areas, or we'll be giving evidence again in five or 10 years' time and the problems will still exist and there will have been further shrinkage. So, there has been adequate time for them to think about the arrangements for commissioning and identifying commissioning opportunities.

11:15

[224] **Mr Garlick:** Mae blwyddyn yn noson hir iawn, onid ydy? Mae'n dweud 'dros nos' ond nid yw dros nos. Rydym yn siarad am flwyddyn pan oedd ef fan hyn yn dweud ei fod yn mynd i'w wneud ef. Wnaeth e ddim. Bydd ef yma cyn bo hir yn dweud eto; wedyn beth sy'n mynd i ddigwydd? Hefyd, mae rhywun yn gorfod gofyn y cwestiwn, 'Pa bwerau sydd gennych chi i'w orfodi ef i wneud rhywbeth?' Mae'n rhaid inni weithio gyda'n gilydd i'r pethau hyn ddigwydd. Sori, John.

Mr Garlick: A year is a very long night, isn't it? You say 'overnight' but it is not overnight. We're talking about a year when he was here saying that he was going to do it. He didn't. He will be here again soon saying it; then what is going to happen? Also, somebody has to ask the question, 'What powers do you have to compel him to do something?' We have to work together for these things to happen. Sorry, John.

[225] **Christine Chapman:** John, you wanted to come in. I need to bring in Alun then, so—.

[226] **Mr McVay:** Yes, I'll be very brief. I can imagine there'll be a few people around this table who will be asking Tony that question—someone on my left, I imagine, anyway. [*Laughter.*] I think the challenge is how you rebalance the 6 per cent network spend away from purely in-house and lift and shift into indigenous or, if you want, local production. I think that's the big challenge, and indeed it's the big challenge that the BBC faces in Scotland and Northern Ireland.

[227] To your point about what our independent producers are doing, the UK independent production sector—and you have a very strong cluster of very strong businesses: Boomerang, Tinopolis and others—is the world's most successful independent sector. We sometimes forget just what a gem we have sitting in the midst of our broadcasting ecology. I agree with the previous comment that the broadcasters rely on the creativity, hard work, blood, sweat and tears of producers, because they are the ones who will spend a lot more money developing ideas that never get made. It's a one in 10 business. The independent production sector, including Welsh companies, is a global business. Members from Wales and all across the country work in America. They sell their programmes around the world. Their formats are remade in 200 countries. The UK independent sector is a success story. It's a £3 billion business, delivering jobs, high-value vocations, across the UK. I'd go back to my earlier point: all of that is now threatened by John Whittingdale in London, who is considering removing the interventions that

underpin that success. I'm urging all Assemblies and Governments to make sure that you represent your concerns about your local businesses to the Secretary of State, because, if we lose our right to own the copyright on the works we've produced, then we go back to being a fee-based business, cost-plus, where we can't raise investment, we can't sell around the world, and we can't take our formats and remake them for buyers in other countries. I think that you would lose the entrepreneurship that Welsh companies have displayed admirably over the past decade.

[228] **Mr Williams:** Os caf jest **Mr Williams:** If I could just add to ychwanegu at hynny, mae'r busnesau that, businesses from Wales, as you o Gymry, fel yr ydych chi'n ei say, are looking at these ddweud, yn edrych ar y cyfleoedd opportunities with broadcasters in yma gyda darlledwyr ym Mhrydain, Britain, but also increasingly outwith ond hefyd fwyfwy y tu fas i Brydain. Britain. Also, in terms of S4C, there Yn nhermau S4C hefyd, mae yna fwy has been more and more co- a mwy o gydgyhyrchu wedi digwydd production recently in terms of yn ddiweddar ar gyfer darlledwyr yn broadcasters in South Korea, for Ne Korea, er enghraifft. Mae yna example. There have been joint fentrau wedi bod ar y cyd gyda ventures with the JTV production chwmni cynhyrchu JTV. Nawr, mae company. Now, some of those rhai o'r cynhyrchiadau hynny yn productions reach audiences of some cyrraedd cynulleidfaoedd o ryw 5 5 million in South Korea. So, that miliwn yn Ne Korea. Felly, mae gives you some sort of context in hynny'n rhoi rhywfath o gyd-destun i terms of what Welsh investment and chi o ran beth y mae buddsoddiad o an investment from a Welsh- Gymru a buddsoddiad gan ddarlledwr language broadcaster can do in Cymraeg yn gallu ei wneud o ran terms of promoting output and hyrwyddo'r cynnyrch a chael getting a global audience for it. cynulleidfa fyd-eang ar ei gyfer.

[229] **Christine Chapman:** Okay. Thanks. We've got less than half an hour, but I know that other Members want to come in on some other aspects of this. I've got Alun and then Peter.

[230] **Alun Davies:** Thank you very much. I do agree with the point you made, Mr McVay, about the dangers posed by the policy approach of the current UK Government. I think many of us would agree with you over that. But I think we need to go further than simply criticise what Whittingdale and others are proposing because, in answer to a question, I think, from Rhodri, you said that you didn't have any knowledge of a British audience having any

difficulties with drama, for example, made in any part of the United Kingdom and, you know, elsewhere in Europe as well. I agree with that. I agree with that. The problem is, of course, that the commissioners tend not to be very British. They tend to be very English and very London. That's the reality—we're talking about the BBC here rather than other broadcasters. Is it not the case, therefore, that, unless we have a structural and cultural change within the BBC, the BBC will always be that London-centric organisation, looking towards WC1 and not looking towards SA1 or NP22? And unless you change that structurally, you won't change the culture of that and, therefore, we will continue to have these conversations for another decade, and BBC executives will continue to promise to change things, put different structures in place, and all will fail, because, fundamentally, we have a broadcast structure and culture that is based in a London metropolitan culture.

[231] **Mr McVay:** I take your point, as it's been something that's challenged me throughout my whole career. I'm a working-class Scotsman. I think Samir Shah from Juniper productions did a very cutting critique of this about seven or eight years ago, when he was at an event with Lenny Henry, talking about diversity. He said, 'Look, it's not about ethnicity, it's not about race, it's actually about Oxbridge and the fact that senior people in the BBC tend to recruit in their own image, and that tends to be a certain type of person who gets into Oxbridge and who is then recruited by the Oxbridge to run the British industry, and particularly the BBC.' That's why I mentioned the point early on about diversity. I am the chair of the Creative Diversity Network, the industry's body to promote diversity in all aspects—social inclusion.

[232] I think that's the challenge. I think, in order to accurately reflect where the people of the UK actually are in their lives, in their understanding and their cultures, you have to have a television culture at the most senior levels that is diverse and socially inclusive. Then you get away from the idea about locating money in a postcode, because the postcode is in the person. They think differently. I think that's the challenge that all of us face and, actually, it's a challenge that we've argued, certainly from PACT's perspective—this isn't about being liberal and bleeding hearts; this is about business. If we do not accurately reflect the people of the UK, whenever they're from, whatever their backgrounds, then they will abandon us. They have plenty of other things that they can do with their time, and plenty of other ways that they can entertain themselves, so it's really important that this is taken seriously so that we see, in the senior levels of management, at the most senior commissioning levels, more diversity. That includes having more sensitivities and understanding, and people from Wales being in senior levels, as, I would

say, someone from a BME community—. When you look at the British industry, it's not very diverse, and I think that's the problem.

[233] **Christine Chapman:** Can I just ask, John? You made a business case for this, and I agree with what you're saying, but why is there such a resistance, then? If it's good business sense, why do you think there's this resistance?

[234] **Mr McVay:** I don't think it's active resistance. I think it's just that's how things are. If you're a senior person in broadcasting and you're from Oxbridge, then you think the only people who can do that job are from Oxbridge. You see it in other industries, but, unfortunately, other industries have moved faster. If you look at finance, the legal professions, medicine, they're a lot more diverse. I would argue that television, as a high-level professional vocation for people, has not gone fast enough. That is changing. There is a lot of hard work going on to change that, and I wouldn't want to sound a bit too Tony Hall-ish by saying, 'Give us time.' I don't think we have time. I think the industry has got to move faster. Certainly, as the chair of the CDN, for my brief two-year tenure, I'm very keen to make sure that the broadcast industry does go faster.

[235] **Christine Chapman:** Thank you. Alun.

[236] **Alun Davies:** If I can just carry on there, because, again, television isn't a new medium anymore, in fact, it's a very old one and might well be replaced very soon, I don't know. But where we are in terms of production—we've got a very good, as you said yourself, and a very successful, independent production industry in the United Kingdom, but what we don't have is the United Kingdom represented well on our screens. The point about the BBC—seven years without a significant drama from Wales cannot simply be an oversight. It can't be an oversight. It's got to be structural failure, yes? If you want to create a different culture, which you've explained, and I don't disagree with any of those ambitions or visions, my concern is how you actually do it and deliver it. The point I'd put to you is: do you believe it can be delivered with current structures, or do you believe that, if we want the United Kingdom represented and our lives represented on the screens by the BBC, we need a BBC that is structured in the same way as the United Kingdom is structured today, and not structured as it is, in the way that the United Kingdom was structured two or three generations ago?

[237] **Mr McVay:** That's a very good question. I don't think I've got a simple answer, because I can see number of tensions for me, because I represent

across the UK, so moving money around from one place to another causes me a dilemma. But, I think the structure is about a creative engagement and about the creative development of ideas from across the UK. I think that hasn't gone as well, because the lift and shift gives the BBC their 6 per cent for Wales, but doesn't go beyond that, and I think that's the challenge. That is a structural thing—they structurally made a decision to move production from London to Wales; it was a structural intervention; it was an industrial intervention. So, for me, I think focusing on what that 6 per cent is and how you change that will give you quicker results, because that's a budget that's allocated already—that's money that has to be spent. We're encouraging the BBC, and in Scotland, to look at how they're spending that money and whether the balance is right. If it's just English-language programming that's made in Cardiff but qualifies as Welsh, then that's not really what the ambition of this was. I think that's the bit that we think you can get quicker results from.

[238] **Mr Garlick:** Byddwn i'n awgrymu bod angen newid y strwythur, yn yr ystyr bod yna gomisiynydd drama yng Nghaerdydd, mae un yn yr Alban, ac yn y blaen, ond ni ddylen nhw fod yn gomisiynwyr drama i Gaerdydd neu i Gymru—dylen nhw fod yn gomisiynwyr drama o Gymru neu o'r Alban. Dyna sydd yn bwysig. Sydd yn mynd â fi nol i beth roeddwn i'n ddweud yn y lle cyntaf—bod angen i Rhodri neu BBC Cymru gael y gyllideb, a bod yn rhaid i'r comisiynydd yna ddod i fyny gyda drama neu gyfres unwaith y flwyddyn. Os nad yw yn llwyddo, mae'n colli ei job. Felly, oes, mae angen newid y strwythur.

Mr Garlick: I would suggest that there is a need to change the structure, in the sense that there is a drama commissioner in Cardiff, there's one in Scotland, and so forth, but they shouldn't be drama commissioners for Cardiff or for Wales—they should be drama commissioners from Wales or from Scotland. That is what's important. That brings me back to what I was saying in the first place—that there's a need for Rhodri or BBC Cymru to have the budget, and that that commissioner needs to come up with a drama or series once a year. If he doesn't succeed, he loses his job. Therefore, there is a need to change the structure.

[239] **Alun Davies:** Colli job yn y BBC?

Alun Davies: Lose a job in the BBC?

[240] **Mr Garlick:** Ie, efallai na fyddai hynny mor hawdd, ond—

Mr Garlick: Yes, maybe that's not as easy, but—

[241] **Mr Williams:** Rwy'n ategu hynny, ond jest i nodi nad oes comisiynydd drama yng Nghaerdydd. **Mr Williams:** I'd endorse that, but just to note there is no drama commissioner in Cardiff.

[242] **Mr Garlick:** Nac oes, rwy'ti'n iawn. **Mr Garlick:** No, you're quite right.

[243] **Mr Williams:** Mae yna gynhyrchwyr ac uwch-gynhyrchwyr, ond nid oes yna gomisiynydd—nid oes unigolyn sydd yn gallu gwneud penderfyniadau uniongyrchol dros gomisiynu cynnwys. Mae hynny, ar ôl yr holl fuddsoddiad, i fi, i'w weld yn beth rhyfedd. **Mr Williams:** There are producers and senior producers, but there is no commissioner—there is no individual that can make direct decisions for the commissioning of content. I see that, after all the investment that we've seen, as being strange.

[244] **Alun Davies:** Ond dyna'r cwestiwn roeddwn yn trio ei ofyn o'r blaen. Mae yna broblem yn y BBC sydd yn broblem ddiwylliannol, efallai, neu yn broblem o strwythur presennol y BBC sydd ddim yn adlewyrchu beth ydy'r Deyrnas Unedig heddiw, a sut bydd y Deyrnas Unedig yn datblygu i fod yn y dyfodol. A ydych chi yn gweld bod eisiau newid sylfaenol i'r BBC a chreu BBC gwahanol—ffederal, efallai—a fydd yn adlewyrchu anghenion Prydain ac anghenion y Deyrnas Unedig yn ei chyfanrwydd, a thrwy hynny newid diwylliant tu mewn i'r BBC? Achos o beth rwy'n weld o'r tu fas, mae yna ddiwylliant, fel mae Mr McVay wedi ei ddisgrifio, sydd yn bodoli yno, a heb newid y strwythur nid wyf yn gweld sut y gallwn ni newid y diwylliant. **Alun Davies:** But that is the question I was trying to ask before. There is a problem in the BBC that is a cultural problem, perhaps, or a problem regarding the current structure of the BBC that doesn't reflect what the UK is today, and how the UK will develop in the future. Do you see that there is a need for fundamental change in the BBC to create a different BBC—federal, perhaps—that will reflect Britain's needs and the needs of the UK as a whole, and also through that change culture within the BBC? Because from what I can see from the outside, there is a culture, as Mr McVay has described, that exists there, and without changing the structure I can't see how we can change the culture.

[245] **Mr Garlick:** Byddwn i'n cytuno; **Mr Garlick:** I would agree; there

mae angen newid y strwythur, ac fel mae Rona Fairhead wedi dweud sawl gwaith, mae hwn yn rhan o broses y siarter a hyn a'r llall ac arall. Wel, gwnewch e, te—dyma'r amser i'w wneud e. Os ydy hi'n dweud mai dyma'r amser i'w wneud e, dyma'r amser i ni ddweud beth rydym angen iddyn nhw wneud. Mae'n ddigon hawdd codi pais, fel maen nhw'n dweud—mae angen ei wneud e, a'i wneud e nawr.

needs to be a change of structure, and as Rona Fairhead has said on a number of occasions, this is part of the charter renewal process and so on and so forth. Well, do it, then—this is the time to take action. If she is saying that this is the time to do it, then now is the time for us to say what we need them to do. It's quite easy to close the stable door after the horse has bolted—it needs to be done, and it needs to be done now.

[246] **Alun Davies:** Ocê; mae hynny'n ddigon amlwg a phendant.

Alun Davies: Okay; that's quite clear.

[247] **Christine Chapman:** Thank you. We've only got about quarter of an hour left; I know that some Members want to come in, and we do need to discuss the S4C issue as well. Janet, did you have some questions? I know, Peter, you said that your questions had been covered.

[248] **Janet Finch-Saunders:** There's been a lot of talk about structure, governance, regulatory functions and accountability, but what kind of governance structure would TAC and PACT propose for the BBC under the next charter, specifically in terms of how Wales would be represented in that structure?

[249] **Mr Garlick:** I believe that we need some kind of a structure, and it's not the one that we have at the moment, because as far as I can see, the BBC Trust has no power whatsoever. Deals are done between the Chancellor and Tony Hall with scant regard to the trust and, as a consequence, no regard whatsoever to S4C.

[250] **Janet Finch-Saunders:** If you were producing a structure, then, how would it look?

[251] **Mr Garlick:** I think from my point of view, the first thing we'd have to make sure is that there is representation from Wales on that body, whatever that body is, and I would imagine, probably, it would be something along the lines of Ofcom. I wouldn't want it to be called 'Ofbeeb' or anything that has 'Beeb' anywhere near it. Because this always is the problem—that it's the BBC

Trust, they're so close to the BBC, they're too close to the BBC, and then you end up saying that it's the BBC's licence fee. It's not. It never was and it never will be.

11:30

[252] **Janet Finch-Saunders:** When you mention involvement, what level of involvement, in terms of the Welsh angle?

[253] **Mr Garlick:** Sorry—

[254] **Janet Finch-Saunders:** The question that Bethan asked earlier witnesses—a panel to include just one person, or do you mean a truly Welsh panel?

[255] **Bethan Jenkins:** The witness suggested a unitary board; they couldn't say exactly what the make-up of that would be. Would you agree that that would be the way forward?

[256] **Mr Garlick:** I really, at the moment, don't have a particular opinion on that. John—

[257] **Mr McVay:** No, I was just waiting for you to finish. [*Laughter.*]

[258] **Mr Garlick:** I can get very annoyed about it, but I don't have a particular answer, no.

[259] **Mr McVay:** I was involved in the last charter and I've been working alongside the BBC for 30 years. I think we've all got to recognise that the BBC, because it is a unique public institution—. It is our money, but we give it to them, and that always creates a tension. I think it's a very hard thing to come up with the right regulator for it. I think this is work that will go on for a long time. I think representation and, obviously, with devolution and political differentiation across the UK—. That becomes more pronounced, if you look at Scotland now, with a majority of nationalist politicians there; in Westminster, that's a big issue.

[260] The unitary board we're not very keen on, because I remember the bad old days of the BBC governors, who were all meant to be representing the interests of the licence fee payer from across the UK and, actually, be there as an independent body overseeing the management. Effectively, they

became the management, because they get captured. There's a thing called—what is it—the Stockholm effect, or whatever—Stockholm syndrome. [*Laughter.*] Obviously, I've not been captured by you yet, but I think that one of the problems I have is: if you create another unitary board, aren't we just repeating the mistakes of the past? I think you've got to focus on the functions first and then what it's called later.

[261] So, I think there are two things. You need to have something that oversees the BBC's editorial independence but also scrutinises and holds it to account on editorial mistakes; that's absolutely vital, and I've been involved in quite a few of those things—'Queensgate' being one of them. Then you need another function, which is overseeing the BBC's commercial activities and how it functions in the market. The BBC is a £4 billion gorilla that plonks itself into the private sector every single day and distorts the market. That's going to be requiring even more oversight, because they're now proposing to take in-house production and turn it into a commercial studio competing against Welsh independent producers, but with a £450 million cheque from the licence fee payer underpinning that business. The BBC goes, 'Oh no, no, it's all fine; don't worry your pretty little head'. We have major concerns, and I think that's because the BBC is actually building a global media business underpinned by the licence fee. I think people really need to be careful about where that takes you, not only in terms of the market, which obviously concerns me, but also in terms of the purposes of the BBC.

[262] Once you create a commercial production unit, hiring people like me to run it, then it will no longer be BBC in-house production. You could end up with a two-tier system in Wales where the people who work on opt-out Welsh programming are seen as second class because they're not part of the network commercial arm. So, instead of having that blend at a local level for in-house production, you would then start—if you were looking for a career, you wouldn't be working on network commercial programming for other broadcasters; you'd only be working for BBC Wales, and is that really good for your career? I think that's something that's not been properly debated; it's the same issue in BBC Scotland as well.

[263] So, in terms of governance, I think, for you, get proper Welsh representation. How that carves up—how many people—will be a big debate, and I'm sure my friends in Scotland will have a view about that as well. You need strong editorial, but you also need strong market oversight as well. This is a very important public asset that can do good and bad things, and I think those are the two things that we are focusing on as this debate goes

forward.

[264] **Mr Williams:** Jest i ychwanegu, os caf, cyn eich bod chi'n symud ymlaen, mae'r atebolrwydd yn gwbl allweddol ynglŷn â sut mae'r arian o ffi'r drwydded yn cael ei wario. Roedd John a minnau mewn sesiwn ddiweddar y *Westminster Media Forum* yn trafod yn benodol agweddau ar reoleiddio'r BBC. Byddwn yn argymhell eich bod yn edrych ar y defnydd o'r sesiynau a'r *transcripts* o'r sesiynau hynny achos, mewn gwirionedd, mae cael rheoleiddiwr allanol i'r BBC, am y tro cyntaf yn ei hanes, yn newid sylweddol mawr i'r darlledwr—yn newid a allai fod yn gwella ac yn ateb nifer o'r problemau sydd wedi cael eu codi rownd y bwrdd yma heddiw.

[265] Mae Ofcom wedi cael ei nodi, wrth gwrs, fel un opsiwn. Mae yna bryder y byddai Ofcom yn troi'n rhyw fath o 'arch-reoleiddiwr' neu '*super-regulator*' dros bopeth. Mae yna bryder wedi'i leisio ynghylch hynny, ond mae gan Ofcom systemau yn eu lle a threfn a gwybodaeth ynglŷn â sut i fynd ati i ymwneud â thipyn o'r gwaith rheoleiddio hwnnw. Nid ydym eisiau ffeindio ein hunain mewn sefyllfa lle rydym yn gwario lot fawr o arian ar greu strwythur newydd, sydd eto byth yn mynd i orfod golygu torri yn ôl ar wariant ar gynnwys, achos fel cynhyrchwyr, yn naturiol, rŷm ni'n moyn gwario gymaint ag y medrwn ni o gyllideb y ffi drwydded ar gynhyrchu cynnwys. Felly, dyna'r

Mr Williams: Just to add one point before we move on, if I may, accountability is crucial in terms of how the licence fee is spent. John and I attended a recent session of the Westminster Media Forum discussing specifically aspects of regulation of the BBC. I would recommend that you look at the transcripts and materials for those sessions because in reality, having an external regulator for the BBC for the first time in its history is a major change for the broadcaster—change that could resolve many of the problems that have been raised around this table today.

Ofcom has been noted as one option, of course. There is concern that Ofcom would become some sort of 'super-regulator' for everything. Concerns have been expressed about that, but Ofcom does have systems in place and does have the information available as to how to deal with much of that regulatory work. What we don't want is to find ourselves in a situation where we spend a great deal of money on creating a new structure, which, yet again, will mean cuts in expenditure on content because, as producers, of course, we do want to spend as much as is possible of the licence fee on production. So, those were the points that I wanted to add on regulation.

pwyntiau i'w hychwanegu at y pwynt ynglŷn â rheoleiddio.

[266] **Christine Chapman:** Okay. We're going to have to move on to S4C because time is really short, so I want to move on. Obviously, other Members can come in as well, but we're very short on time, and I do want to touch on that before we finish. So, Bethan, did you want to start?

[267] **Bethan Jenkins:** Yn amlwg, **Bethan Jenkins:** Clearly, you were roeddech yn gwyllo'r sesiwn yn watching the earlier session and the gynharach a'r cwestiwn wnes i roi yn question that I put in that session is y sesiwn honno yw'r un cwestiwn the same question that I wish to ask rwyf am ei ofyn yn awr, sef: beth yw now, namely: what is your view on eich barn chi ar y ffaith bod y the fact that the Government has Llywodraeth wedi datgan eu bod stated that it expects S4C to make nhw'n disgwyl i S4C wneud yr un the same cuts as the BBC, if there are toriadau â'r BBC, os bydd toriadau similar cuts to the BBC? What are tebyg i'r BBC? Beth yw eich barn chi your views on that? Elan Clos ar hynny? Roedd Elan Closs Stephens Stephens said that is was not the yn dweud mai dim lle'r place of the trustees to intervene in ymddiriedolaeth oedd ymyrryd yn that regard. Is that something that hynny o beth. A yw hynny'n rhywbeth you agree with him? What are your yr ydych yn cytuno ag ef? Beth yw views on the future of S4C, if there eich barn chi ynglŷn â dyfodol S4C, are, yet again, more cuts? os bydd mwy fyth o doriadau?

[268] **Mr Garlick:** Rhaid i mi ddweud **Mr Garlick:** I must say that Elan's fod sefyllfa Elan yn un anodd iawn, position is a difficult one, because achos mae hi ar yr awdurdod ac ar yr she is on the authority and the trust. ymddiriedolaeth. Mae hi mewn lle So, she is in an invidious position. anodd iawn.

[269] Fy ymateb syml i ydy: na, nid My simple response is: no, it is not yw'n dderbyniol. Y rheswm am hynny acceptable. The reason for that is ydy, mae'n rhaid ystyried y ffaith fod that we must take into account that y toriadau sydd wedi bod dros y the cuts that have been imposed, blynyddoedd yn 36 y cant, mae'n over the years, are 36 per cent in real debyg, mewn termau real. Mae'r terms. The Treasury has saved £500 Trysorlys wedi arbed £500 miliwn ar million on S4C already over the last S4C yn barod dros y pum mlynedd five years. Why then must you mess ddiwethaf. Pam fod yn rhaid mynd i around with that £7 million, which in

botsio gyda'r £7 miliwn, sydd mewn gwirionedd yn ffigwr mor bitw yn y byd sydd ohoni? Jest gadwech iddo fod. Mae ansefydlogi S4C, fel y mae S4C ei hunan wedi'i ddweud, yn golygu y bydd perygl y bydd yna fwy o ailddarllodiadau, ac mae'n bosibl y bydd rhaglenni plant yn diflannu. Yn y pen draw, mae safonau, o bosib, yn mynd i ostwng. Rydym ni wedi bod yn lwcus iawn dros y blynyddoedd ddiwethaf—mae technoleg wedi mynd yn ei flaen ar y fath gyflymdra fel bod offer gymaint rhatach nag ydoedd. Ond rydym wedi cyrraedd y pwynt yn awr lle na fydd yn mynd yn rhatach ac ni allwn wneud rhaglenni'n rhatach na'r ffigwr, ar hyn o bryd, o £10,000 yr awr. Mae'n anhygoel i feddwl bod sianel yn gallu bodoli ar £10,000 yr awr, ar gyfartaledd, wrth gwrs.

[270] **Bethan Jenkins:** Felly, rych chi'n gofyn am fwy o arian, sef 10 y cant ychwanegol—jest un taliad o 10 y cant. Ydy hynny'n rhywbeth sydd yn realistig neu a ydych yn credu y bydd angen mwy na hynny dros y blynyddoedd?

[271] **Mr Garlick:** Man cychwyn fyddai'r 10 y cant. Rwy'n credu bod angen i rywun rhoi ffigwr yn rhywle. Mae'n ddigon hawdd i bobl ddweud, 'O, ia, arian digonol', ond beth yw arian digonol? Nid yw arian digonol yn golygu'r un peth i fi ag y mae i chi. Mae'n rhaid rhoi ffigwr pendant, felly rydym ni wedi dewis 10 y cant. Rydym wedi dweud ein bod ni eisiau

reality is such a tiny amount of money in the bigger picture? Just leave it alone. Destabilising S4C, as S4C itself has said, means that there's a risk that there will be more repeats, and it's possible that children's programmes will disappear. Ultimately, standards will, possibly, fall. We've been very lucky over the past few years—technology has progressed at such a pace that equipment is so much cheaper than it was in the past. But we have reached the point now where it will not get any cheaper and we can't continue to make programmes more cheaply than the current figure of £10,000 an hour. It's incredible to think that a channel can exist on an average of £10,000 an hour, of course.

Bethan Jenkins: You've asked for an additional 10 per cent as a one-off payment. Is that something that's realistic or do you think that more would be required over the years?

Mr Garlick: That 10 per cent would be a starting point. I think that someone needs to provide a figure somewhere. It is easy for people to say, 'Oh, yes, sufficient funding', but what does that mean? Sufficient funding for me won't be the same as it is to you. You have to put a figure down and we've chosen that figure of 10 per cent. We've said that we want it to be

iddo fod yn *index-linked*, fel y bydd yn cynyddu. Mae'r BBC yn pledio'r tlodi anhygoel yma ar hyn o bryd, a'u bod nhw'n cychwyn o le gwael. Nid ydynt yn ystyried nac yn cyfaddef bod y *World Service* yn *ring-fenced*. Nid ydynt yn cyfaddef bod y boblogaeth, dros y 10 mlynedd nesaf, yn mynd i chwyddo ac felly bydd mwy o bobl yn prynu'r drwydded. Nid ydynt yn cyfaddef eu bod mewn sefyllfa i werthu rhaglenni a fformatau am filiynau. Nid yw'r holl bethau yma'n agored i S4C. Felly, mae'n rhaid i S4C gael y 10 y cant yna yn unol â chwyddiant.

[272] **Mr Williams:** Os caf i ychwanegu at hwnnw: does dim byd yn codi calon rhywun fel gweld copi o lythyr gan y Trysorlys, nag oes, fel copi o'r llythyr yma at yr Arglwydd Hall gan George Osborne, sydd wedi'i arwyddo gan John Whittingdale hefyd. A dyma, mewn gwirionedd, yw'r sefyllfa sydd ohoni ar hyn o bryd—£6.7 miliwn o arian y DCMS yn mynd at ariannu S4C. Mae potensial bod hwnnw'n cael ei dorri ymhellach. Mae S4C wedi gorfod ymateb ar ffurf sawl sgôp; sgôp hyd at 40 y cant o'r arian yna, ac wedyn y ffi drwydded—y ffi drwydded yn cael ei phenderfynu'n hwyrach na'r CSR cyfnodol nawr. Pe byddech chi'n edrych ar 20 y cant, os ydym yn darllen yr *equivalent percentage reduction* yma, ac yn ei gymryd ar ei air, mae hwnnw'n mynd i fod yn doriad sylweddol, a fyddai'n doriad o ryw hanner o gyllideb S4C ers 2010. Nid yw 'trychinebus' yn

index-linked, so that it will increase. The BBC is pleading this incredible poverty at the moment, and that they are starting from a poor place. They do not admit that the World Service is ring-fenced. They do not admit that the population, over the next 10 years, will increase and therefore, there will be more licence fee payers. They don't admit that they are in a position to sell programmes and formats for millions of pounds. None of those things are available to S4C. So, S4C must get that 10 per cent in line with inflation.

Mr Williams: If I may add to that: there is nothing that makes one happier than seeing a copy of a letter from the Treasury, is there, like the copy of this letter here to Lord Hall from George Osborne, which has been signed by John Whittingdale as well. And this, in reality, is the situation that exists at the moment—£6.7 million of DCMS funding goes towards funding S4C. There is the potential that that is going to be cut further. S4C has had to respond in the form of many scopes; a scope of up to 40 per cent of that funding, and then the licence fee—the licence fee will be decided later than the periodic CSR now. If you looked at 20 per cent, if we read this equivalent percentage reduction, and take it as read, that is going to be a substantial cut, which would be a cut of around half of S4C's budget since 2010. 'Catastrophic' doesn't start to

dechrau disgrifio'r sefyllfa honno.

describe that situation.

[273] Felly, rydym ni wedi bod yn lobiö'n gryf i sicrhau bod pawb yn ymwybodol pa mor bwysig yw e fod yr arian yma yn cael ei warchod. O ran arian ychwanegol, mae pethau allweddol at ddyfodol S4C ar hyn o bryd nad ydyn nhw'n gallu fforddio ei wneud, ac rwy'n credu y cafodd y rheini eu trafod gan Huw ac Ian gyda chi fan hyn ynglŷn â darlledu, er enghraifft, mewn manylder uwch. Mae cynlluniau ar y gweill ar gyfer mwy o gyd-gynhyrchu rhyngwladol. Mae hwnna, yn erbyn y gyllideb sydd ar gael i gynhyrchu rhaglenni ar gyfer gwasanaethau S4C, yn mynd i fynd yn anoddach ac yn anoddach, ac yn sicr yn sgil toriadau pellach. Ac mae hwnna, i fi, yn dorcalonnus achos mae modd i S4C fod yn alluogwr enfawr o gynnyrch sydd yn cael ei weld ar draws y byd, ac i gyd-gynhyrchu gyda nifer o ddarlledwyr a nifer o gwmnïau cynhyrchu ledled y byd. Felly, mae yna gyfleoedd yn mynd i fynd ar goll.

So, we have been lobbying strongly to ensure that everybody is aware of how important it is that this money is safeguarded. In terms of additional funding, there are some key things for S4C's future at present that they cannot afford to do, and I think those were discussed here with you by Huw and Ian, in terms of broadcasting, for example, in high definition. There are plans afoot for more international co-production. That, against the budget that is available for producing programmes for S4C services, is going to get more and more difficult, and certainly as a result of further cuts. And that, to me, is heartbreaking because there is a way for S4C to be a huge enabler of production that can be seen across the world, and to co-produce with a number of broadcasters and production companies across the world. So, opportunities are going to be lost.

[274] Bydden i hefyd yn eich cyfeirio chi, ers i S4C fod yma yn rhoi tystiolaeth, at yr adroddiad y gwnaethon nhw ei gyhoeddi o'r enw 'S4C: Edrych i'r Dyfodol', ac mae cwestiynau allweddol ynddo ynglŷn â gallu S4C i gynnal yr amserlen, ac i gynnal yr amrywiaeth o genre. Cofiwch hefyd bod S4C yn cyfrannu yn sylweddol iawn at fusnesau sydd ar draws Cymru—yng ngogledd Cymru, yng ngorllewin Cymru—ac

I would also refer you, since S4C came here to give evidence, to the report that they published 'S4C: Looking to the Future', and there are fundamental questions in it about S4C's ability to maintain its schedule and to maintain the variety of genres. Remember also that S4C contributes greatly to a number of businesses across Wales—in north Wales, in west Wales—and opportunities are certainly going to become scarcer

mae cyfleoedd sy'n sicr yn mynd i ddechrau mynd yn brinnach a'n brinnach i gomisiynu deunydd newydd.

and scarcer to commission new material.

[275] Ac un nodyn olaf— ailldarllediadau. Ar hyn o bryd, rwy'n credu bod 57 y cant o gynnyrch S4C yn ailldarllediadau, sydd eto'n gofyn y cwestiwn: 'Pa mor gynaliadwy yw'r gwasanaeth hwnnw yn mynd i fod at y dyfodol, gyda mwy fyth o doriadau?' Felly, ni allaf leisio'n ddigon clir y pryderon, ac rydym wedi rhannu'r pryderon yna gyda'r amryw Weinidogion perthnasol. Mae e'n ofid. Byddwn i'n dadlau eu bod nhw eisoes wedi gwneud arbediad anferth o ran ariannu S4C, os ydych chi'n cysidro, yn 2010, bod agos at £100 miliwn yn mynd o'r DCMS, a nawr mae'n £6.7 miliwn. Mae hwnna'n eithaf arbediad yn fy llygaid i. Rwy'n gwybod bod y ffi drwydded o dan bwysau o bob cyfeiriad, ond boed i ni beidio anghofio am y torri sylfaenol hwnnw, a'r effaith a'r sgil-effaith rydym nawr yn gweld.

And one last point—repeats. Currently, I think that 57 per cent of S4C's output are repeats, which also begs the question: 'How sustainable is that service going to be in the future, with even more cuts?' So, I cannot voice my concerns clearly enough, and we have shared these concerns with the various relevant Ministers. Is it a worry. I would argue that they have already made substantial savings in terms of funding S4C, if you consider, in 2010, that almost £100 million went from the DCMS, and now it's £6.7 million. That is quite a saving in my view. I know the licence fee is under pressure from all directions, but we shouldn't forget about that fundamental cut, and the effect and knock-on effect that we are now seeing.

[276] **Christine Chapman:** We've just got one minute left, so, John, very briefly, and then I think Mike had a very brief question, and then we'll finish.

[277] **Mr McVay:** I think it's all credit to the chief executive of S4C, Ian Jones—the incredible work that he's done over a difficult period. Also, we were not happy about the BBC becoming, if you want, the paymaster general for S4C, as a result of the deal that Jeremy Hunt required him to do to fund S4C. I think it's broadly for all content investment; we fund the BBC to make great programming, and now the BBC has got responsibility for great programming being financed for S4C as well. I think the BBC needs to be absolutely clear about what cuts it's going to make where. Just now, there is a blur of different statements and reports by the BBC. I can't actually work

out how much money they're going to get; what they're really going to cut when, and why. So, I think the BBC's got to be a lot more specific: 'This is how much we'll get over the period, and why; this is how much we don't think—'. And then you can make an informed decision about the funding for S4C. But my general view is: don't cut content budgets—it's what people are paying for and it's what people care about; they care about original programming, not endless repeats. So, my general view is that the BBC has to work harder to make sure that the last thing it cuts is the money that goes into content.

[278] **Christine Chapman:** Okay. Thank you. Gareth.

[279] **Mr Williams:** Pwynt arall, jest i gyfeirio at y llythyr, mae'n flin gyda fi, a'r amseru—. Bydd y CSR nawr yn penderfynu ar y £6.7 miliwn yna. Mae'r llythyr yma yn cyfeirio at y ffaith taw'r Llywodraeth fydd yn penderfynu sut i wneud lan y *shortfall* os bydd yna doriad. Wel, bydd hwnna'n *shortfall* ar beth? Ar doriad o'r ffi drwydded erbyn hynny? Mae amseru'r peth yma yn gwbl, gwbl allweddol, ac fe allai S4C ddioddef yn llym oherwydd gwahanol gyfnodau amseru ar benderfyniadau ariannu gwahanol rannau o S4C, ac y mae hynny i gyd yn mynd i ladd ar allu S4C i fod yn fwy eang o ran ei hapêl, achos peidiwch ag anghofio chwaith fod mwy o bobl yn gwyllo S4C nawr y tu allan i Gymru ac y mae mwy o sesiynau gwyllo ar-lein hefyd o ran cynnwys S4C, felly mae hynny'n newyddion da. Dylem fod yn ymfalchïo yn y ffaith bod y gwasanaeth yn cyrraedd mwy o bobl.

Mr Williams: One other point, just to refer to the letter, I'm sorry, and the timing—. The CSR will now decide on that £6.7 million. This letter refers to the fact that it's the Government that will decide how that shortfall should be made up if there is a cut. Well, what's that a shortfall on? On a cut from the licence fee by then? The timing of this is entirely crucial, and S4C could suffer substantially because of various timing periods on specific decisions on the funding of various aspects of S4C, and that is all going to be detrimental to S4C's ability to be more broad in terms of its appeal, because don't forget that there are more people watching S4C outside Wales now and there are also more and more online sessions in terms of viewing S4C output, so that is good news. We should take pride in the fact that that service is reaching more people.

11:45

[280] **Christine Chapman:** Mike, very briefly your question.

[281] **Mike Hedges:** Without trying to put words in your mouth, I've listened to what you said and that you're in favour of protecting S4C's funding, but do you know how BBC Alba is being protected or not being protected in Scotland?

[282] **Christine Chapman:** Does anybody know that?

[283] **Mr McVay:** BBC Alba gets a direct grant from the DCMS for its programming and it has a partnership with BBC Scotland.

[284] **Mike Hedges:** I know how it's funded, but do you know what protection it's getting, if any? Is S4C going to be treated less well than BBC Alba, the same or better?

[285] **Mr McVay:** I don't have that information.

[286] **Christine Chapman:** Does anybody? No. Okay. Well, we'll try and find out.

[287] **Mr Williams:** Fe allwn ni drïo **Mr Williams:** We could try to find ffeindio mas mwy am hynny i chi, more information on that for you, but ond rwyf ar ddeall fod BBC Alba wedi I understand that BBC Alba has seen gweld rhywfaint o gynnydd yn y some increase in what they receive cyfraniad y mae'n ei gael ar gyfer eu for their service from the BBC, but gwasanaeth gan y BBC, ond efallai perhaps that's a point on which we fod hwnnw'n bwynt y gallwn ddod yn could get back to you. ôl atoch yn ei gylch.

[288] **Christine Chapman:** That would be very useful. That's been a very interesting session. We're going to have to close this part now, so can I thank our three witnesses very much because I think this has certainly helped us with our deliberations? We will send you a transcript of the meeting so that you can check for any factual inaccuracies, so you could have a look at that.

11:46

Papurau i'w Nodi Papers to Note

[289] **Christine Chapman:** Before I close the public meeting, I just want to

draw your attention to a paper to note—a response from the Deputy Minister for Culture, Sport and Tourism to the recommendations in the Historic Environment (Wales) Bill.

11:47

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd
o'r Cyfarfod**
**Motion under Standing Order 17.42 to Resolve to Exclude the Public
from the Meeting**

Cynnig:

Motion:

*bod y pwyllgor yn penderfynu that the committee resolves to
gwahardd y cyhoedd o weddill y exclude the public from the
cyfarfod yn unol â Rheol Sefydlog remainder of the meeting in
17.42(vi).*

*accordance with Standing Order
17.42(vi).*

Cynigiwyd y cynnig.

Motion moved.

[290] **Christine Chapman:** In closing the meeting, can I now invite the committee to agree to go into private session for the remainder of the meeting? Are you happy with that? Yes. Okay, thank you.

Derbyniwyd y cynnig.

Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 11:47.

The public part of the meeting ended at 11:47.