



Welsh Affairs Committee

Oral evidence: Broadcasting in Wales, HC 620

Wednesday 18 January 2023

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Members present: Stephen Crabb (Chair); Virginia Crosbie; Wayne David; Ruth Jones; Ben Lake; Robin Millar; Rob Roberts; Beth Winter.

Digital, Culture, Media and Sport Committee member also present: Kevin Brennan.

Questions 93 - 129

Witnesses

I: Adam Minns, Executive Director, COBA; Benjamin King, Director of Public Policy UK and Ireland, Netflix.

Written evidence from witnesses:

- [COBA](#)



Examination of witnesses

Witnesses: Adam Minns and Benjamin King.

Q93 **Chair:** Good morning. Welcome to this meeting of the Welsh Affairs Committee. We are continuing our inquiry into broadcasting in Wales. I am delighted to be joined this morning by Benjamin King, director of public policy for UK and Ireland at Netflix. Welcome. We are also joined by Adam Minns, who is the executive director at the Commercial On-Demand and Broadcasting Association, COBA. Welcome.

I should also point out to my colleagues on the Committee that we did also invite Amazon to be part of this particular evidence session. Disappointingly they declined, but they are going to be providing us with written evidence to complement the evidence we take in this oral session.

To start the discussion this morning, Mr King, Netflix is often seen as a very global player. It clearly is. It has a global suite of programmes, films and entertainment on offer. You can be anywhere in the world and you are able to access it. How do you see the role of Netflix when it comes to smaller nations that have a distinctive culture and local identity? How do you ensure that Netflix, the big global player it is, also meets their needs in a world where local identities and small nations do still have meaning and value?

Benjamin King: First, good morning and thank you very much for the invitation to come and speak with you all today on this very important topic. As I am sure many of you are aware, the UK is one of the most important markets for Netflix, particularly in terms of production and our investment in content. We spend over \$1 billion every year here on UK-made content. Within the UK, Wales has consistently been the location for many of our most well-known and best-loved shows that have come out of the UK.

Most people are familiar with "Sex Education". Many people will know as well that certain scenes from "The Crown" were filmed in Wales, but we also have a suite of other content that was made in Wales, such as our film "Havoc", the largest feature film ever produced there, which is coming out in a few months' time, and a number of other dramas. We also have a certain amount of licensed content, which I can talk about in a little bit.

To come back to your original question, Chair, about what we see around the world, perhaps the most important learning for us, as a streaming service, as we have become truly global, is that people everywhere are really hungry for the cultural specificity of programming that has an authenticity of time and place. They respond very positively to that. Those are the stories that resonate.

We are extremely keen to make programmes or shows wherever we can that reflect the lives of people living right across the UK, across all regions and nations, including Wales, and indeed across the world. We consistently find that that content travels extremely well.



I am very pleased to be able to share with the Committee this morning that we are soon to announce that we have licensed a wonderful show from S4C in the Welsh language, "Dal y Mellt", which aired on S4C last year and is coming to Netflix in April. That is just one example of an instance where we identify a piece of content that is very culturally specific but we believe will be incredibly successful with our members.

Q94 Chair: That is very helpful. Mr Minns, I have the same question for you. You are speaking on behalf of a range of online platforms. How do you see the role of small nations and how do you represent them and give them a voice within a suite of global competitive platforms?

Adam Minns: Online platforms and broadcasters, including many British players like BT and UKTV, are COBA members. Welsh audiences are incredibly important to COBA members. Take a channel like Sky History, which is a joint venture between Sky and A+E Networks. The average Welsh adult is 37% more likely to watch that channel than the average UK adult. I am not sure why. Perhaps there is a greater interest in history or something. That channel will then tailor its content to that audience to keep them and to grow that audience. They will commission shows that are set in Wales that reflect Wales.

Sky has many Welsh commissions that it makes. About 5% of its total commissions are made in Wales. There is "Walking Through History" with Tony Robinson and "Murder in the Valleys", which will premier next month. They work with Welsh talent like Ruth Jones, Michael Sheen and Keith Allen.

If you ask me what our greatest contribution to the Welsh creative industries is, I would go back about 15 years. I was working at PACT, the producers' association. We had a nations and regions committee. The Welsh producers would sit there and lament that, beyond S4C, there was one live-action show set in Wales to represent their culture. It also happened to be about werewolves, so they did not see it as being particularly representative of them. That was 15 years ago.

Now, I have just taken my daughter up to be an extra in a show shooting in south Wales. We were in a muddy field in the middle of nowhere. There was a sea of portakabins. She got dressed up as a medieval peasant in a costume that had been made down the road in Cardiff. She was smeared with mud. It was not Welsh mud; it was made from something from a supplier in Cardiff.

Chair: You import the mud into Wales.

Adam Minns: A Welsh company in Cardiff had done that for us. There was local catering, which we helped ourselves to several times. Then we went down to the shoot. It was in a ruined castle, which the production had paid the local council to use. The star of the show is a brilliant young actress called Aimee Lou Wood. She got her big break down the road in "Sex Education", as did many young British actors and actresses. She is the star of the show.



You can see the benefits of critical mass there. At the end of the day, me and my daughter drive back down to London. My wife, who was one of the producers, and the rest of the cast and crew either go home or are in hotels the production has paid for. You can see the benefit to the local economy that is providing. On average a production like that will spend £300,000 a day in the local area. We have gone from a situation of literally one show being made in Wales to this. There has never been more production in Wales than there is at the moment, and the same for the UK. Wales has done exceptionally well out of that. You all know that Cardiff is one of the biggest production centres in the UK at the moment.

In the last five years, high-end TV spend—I will limit it to that because this is about broadcasting—in Wales has gone from £31 million to £71 million a year. That has doubled employment from about 1,000 to 2,000 over the last five years. To put that in context, total employment in TV in Wales is about 3,500. You can see that an increase of 1,000 is an absolutely strong figure.

That is our main contribution, along with telling Welsh stories. I know we need to look at various problems that have arisen from increased competition, but I hope we can discuss how to grow that incredible success story that a lot of people are envious of as well.

Q95 Chair: Thank you very much. I am going to start bringing in my colleagues in a moment, but I will put one more thought to you. As a committee we were in the US last week, in New York and Washington, looking at a few different policy areas. Mainly, we were looking at how Wales is promoted overseas, particularly when it comes to tourism and investment.

We were all struck by the number of Americans we met both in New York and Washington who, when they found out we were from Wales, mentioned “Welcome to Wrexham” on Disney+, which seems to have had a remarkable impact on US culture, increasing the profile and the understanding of Wales.

Do you recognise that there is a huge opportunity for small nations like Wales to attract new attention and new audiences, and to increase awareness?

Adam Minns: Yes, there is a host of independent reports that I can send the Committee separately looking at the connection between having a country on screen and a boost in tourism. That is a well-documented fact. Beyond that, Disney+ also did “Willow”, which was shot in north Wales and south Wales in some great locations. Sky’s “Brassic” had lots of locations as well. Tourism is one major benefit that flows from this, along with jobs.

Benjamin King: You raise a very important point. It is important to look at the contributions players like us make in the round. On top of the economic contribution—we estimate from our own data that over the past five years our production activity in Wales has generated £200 million for



UK GDP, which is a very significant amount—the tourism factor is an important one.

If you take a show like “Sex Education”, for example, season 4 of which is currently in production, season 3 was watched by 55 million households around the world. We have done some research into what we term cultural affinity, which shows that, when people watch a show and love it, they are up to two and a half times as likely to name the location in that series as their number-one travel destination. If you think that 55 million households around the world are two and a half times more likely to think of Wales as their number-one tourist destination, that is a very meaningful impact.

It is important to say the production we have done in Wales is not only concentrated in the south. Our shows have been shot in places as varied as Harlech, Snowdonia, Chirk, Beaumaris, the Wye Valley, Port Talbot and Blaenau Gwent. The list really goes on. All of those landscapes are being showcased on screen, but the local communities there are also hopefully seeing direct investment from that production spend.

Generally, for every pound that is spent by Netflix on production, 80p surfaces elsewhere through the supply chain. The supply chain can be incredibly long and varied. Usually about 40% of that spend is outside the film and TV sector, whether that is in hospitality, catering, security, rental services and so forth. The number of different beneficiaries from that £200 million contribution to GDP is very broad.

On top of that you have all the benefits of tourism. We have worked closely with Visit Wales in the past to promote many of the locations featured in shows like “Sex Education” and “The Crown”.

Q96 Beth Winter: Bore da, both. Thank you for your time this morning. We understand that over 70% of households subscribe to some form of subscription service. We are keen to explore what you see as the benefits of subscription services to the broadcasting scene in Wales. Mr Minns, do you want to go first?

Adam Minns: I would go back to my Welsh producers 15 years ago only being able to get commissions at S4C. One of your previous witnesses, Guto Harri, talked about how an independent production company might start out working with S4C or one of the public service broadcasters and then grow to get commissions from global players.

This is the key to building sustainable businesses in Wales. You do not want an independent producer that is simply reliant on one broadcaster. You could take a production company like Severn Screen. They are currently making “The Pembrokeshire Murders” for ITV, “Steel Town Murders” for BBC, “Havoc” for Netflix and “Gangs of London” for Sky and AMC, which are COBA members. That is how you create a successful company that will grow and employ people in Wales.

In terms of the importance of subscription services themselves, from a policy point of view it is about having a varied range of players. If



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advertising suffers during a recession, you want to have other forms of income, be it the licence fee, subscriptions or on-demand. In turn, that will sustain independent producers like Severn Screen.

There are broader points about driving audience choice, innovation and things like that, but I have probably talked enough.

Q97 Beth Winter: Mr King, we have had some written evidence that has raised concerns about the dominance of the English language on Netflix and the lack of news or current affairs programmes. What do you see as the benefits? Do you see that there are any downsides to it?

Benjamin King: I would agree with Adam that what we and other streamers can do is highly complementary to what the public service broadcasters do. We have a great deal of respect and admiration for them. In the UK, they are consistently world leaders in the programming they provide.

We can best complement that in a few different ways. First, by investing in the PSBs through the content we license from them and through the co-productions we partner with them to make. One co-production, "The End of the F***ing World", that we made with Channel 4 was itself filmed in Wales.

Between 2016 and 2020, we invested over \$400 million in UK PSBs, which is about 2% of their total spend over that time. We can make a significant financial contribution, but we can also, through our licensing, take the very best of their programming and help it to find a much broader audience, often a global audience as well.

That is one of the exciting things about our decision to license "Dal y Mellt". I believe that a previous witness to this Committee, the chief executive of S4C, characterised her view of the relationship with streamers as "a world of opportunity". That is something we would agree with.

It is a very nuanced relationship with a lot of commercial and creative interdependencies. We describe the world of media as an ecosystem. That can feel like a cliché sometimes, but it is true: it is a good representation of the way the different players interact and to some extent depend on each other.

As Adam said, ultimately what we need, particularly from an audience perspective, is that plurality. It leads to lots of choice in terms of what viewers watch. From a creative perspective, it means there are more routes to market, more opportunities for different stories to get made and find different audiences. The balance works very well. Broadcasters continue to have the lion's share of viewing both in the UK and Wales more generally. Netflix only accounts for about 8% of total video viewing. The broadcasters continue to be incredibly strong, and understandably so.



Adam Minns: May I expand on that very quickly? I agree completely with that. I can give you an example of the relationship between subscription services and public service broadcasters. We must pay due credit to public service broadcasting for having created a sustainable base that is now expanding with various other players.

If you look at the amount of money non-public service broadcasters spend on co-productions with public service broadcasters, it is about £450 million a year across the UK. That is an Ofcom figure. That will include a show like "His Dark Materials", for example, which shot in Wales. Everyone sees that as a BBC production, which it is, but the majority of the funding comes from HBO.

We have got to a point now where there is more money in PSB dramas from non-PSBs than there is from PSBs. With that £450 million, a PSB can decide, "That will allow me to create a big lavish production with lots of extras or landscapes" or, "That will free up my content budget to invest in something factual like news or documentaries, which the market, generally speaking, is not going to be so interested in making". In a way, we are indirectly supporting public service broadcasting.

Benjamin King: I should add that we have Welsh subtitles on a couple of our blockbuster films, "The Adam Project" and "Red Notice", because of Ryan Reynolds' involvements, given his close links with Wales and Wrexham FC. That is a great example of how we can take the language to the world and, I hope, help to promote and preserve it in the process.

Beth Winter: We will come on to the Welsh language next. Diolch yn fawr.

Q98 **Virginia Crosbie:** Welcome, gentlemen. It is great to have you here on the Committee. I am really pleased you have spent quite a lot of time talking about culture, identity and how you are looking to reflect the lives of people living across the UK. I am pleased that you are licensing programmes from S4C.

We have a target of 1 million Welsh speakers by 2050. The last census showed that it is in decline. How do you see your responsibility for promoting the Welsh language as part of our culture and our identity?

Adam Minns: Our biggest contribution to that is creating jobs in Wales to stop the brain drain, which I believe is a concern. As I mentioned before, we have helped create an additional 1,000 jobs over the last five years. You are talking about jobs in an exciting sector that allow people to stay in Wales and work in a brilliant growing industry.

In terms of on screen, I would like to see more. The way forward there would hopefully be through more co-productions with S4C, as Ben mentioned. It seems to be starting to happen. I know they have worked with public service broadcasters in the past, not so much with non-public service broadcasters. That is a shame. I have thoughts on why that has not happened to any great extent as yet, but that would be the way



forward for us to have a greater involvement in Welsh language programming.

Benjamin King: To build on my comments earlier, we can play a helpful role in complementing the intent to promote and preserve the Welsh language. That is why we have decided to license Welsh language programming. We have Welsh language subtitles on a couple of films, as I mentioned. We also have an episode of season 3 of “The Crown” that is almost entirely in Welsh, which is about the then Prince Charles’s investiture and time at Aberystwyth.

We also need to bear in mind that S4C has a very specific remit and prerogative to produce Welsh language programming. We certainly would not want to compete directly on that, but, by licensing some of their content, we can help to promote it and help it to find a wider audience. It is a good example of the way broadcasters and streamers can complement each other’s activities and investment.

Q99 **Virginia Crosbie:** Netflix, you are producing a documentary about the Six Nations, which is fantastic.

Benjamin King: We are, yes.

Virginia Crosbie: Clearly, for some of the Welsh rugby union players, Welsh is their first language. Will you be featuring that as part of the documentary? I know you have been criticised for putting Welsh subtitles on some of your programmes.

Benjamin King: It is very early stages for that particular show. The announcement was only made a week or two ago, and production has not started yet. I cannot say for certain, but we want to show the tournament in its entirety. We want it to be meaningful from a cultural point of view and a sporting point of view. I am sure all of those considerations will factor in the way we approach the production.

Q100 **Ben Lake:** On that very point, the new captain of the Welsh rugby team, Ken Owens, is a first-language Welsh speaker. Perhaps that is something that can be borne in mind during the production.

Just back on the topic of subtitles, you mentioned that Welsh subtitles have been added to certain films. Is there a particular policy that Netflix is pursuing to increase the number of programmes and films that have Welsh subtitles as an option?

Benjamin King: We do not have a particular policy, but it is our intention to add subtitling in as many languages as possible to as much of our content as possible. That unlocks it and allows it to be enjoyed by more members. There is a very strong commercial self-interest in adding as much subtitling as possible. Over 30 languages are currently available on the service. We are adding more all the time.

In terms of its journey as a global service, Netflix is still relatively young. We have only been in the UK for a little more than 10 years, compared to 40 years for S4C and 100 years for the BBC. This is all very much a work



in progress, but the direction of travel certainly is to make subtitling as widely available in as many languages as possible because that unlocks new potential members and broadens our reach.

Q101 Chair: Can I just ask about the documentary on the Six Nations? What really drove the thinking about wanting to do a programme like that? Presumably somebody came to you with the idea. Was it worked up within the Netflix team? Why now? What has caught your eye about the Six Nations that you think is going to make for good telly?

Benjamin King: As you know, we are not in the business of live sports currently at Netflix. The economics of live sports, the cost of rights and so forth, is not very appealing to us right now. In a recent interview, our co-chief executive characterised it as being not anti-sports, just pro-profit. We feel we can invest our members' subscriptions more wisely in the other kinds of content we make.

We have seen tremendous success with some of our behind-the-scenes documentaries on various sports. "Formula 1: Drive to Survive" was the original one. That has been an astonishing success. It also had a very material impact in terms of broadening the fan base and the viewership for that sport. We recently launched "Break Point" about tennis, which came out just a few weeks ago. There are others in the works as well.

Rugby was an obvious one for us to look at its potential. Once we did start to dig into that, we saw it could be very exciting. There were some great stories to be told there, and we wanted to get in ahead of the new season so we could launch that content next year. Those were the main drivers for that decision.

Q102 Kevin Brennan: Just to explain, I am not a member of this Select Committee. I am guesting here today from the DCMS Select Committee.

I was going to ask you about your relationship with public service broadcasters, but you have pretty much covered that in questioning already. You have confirmed that that relationship is a strong and important one, and that having a strong public service broadcasting ecosystem underpinning our creative industries in the broadcasting and streaming sector is really essential.

In a one-word answer, is it fair for me to characterise what you have said so far in that way—yes or no?

Adam Minns: Yes, but—

Kevin Brennan: That will do.

Adam Minns: We must also have one eye on opportunities for the rest of the sector to be able to grow.

Benjamin King: Yes, 100%. We have said that consistently.

Q103 Kevin Brennan: We have had these conversations before. You have already said that. Having said that, let us link it to the issue of prominence for public service. If the ecosystem is important, public



service broadcasting and public service media have to thrive. It cannot be locked away in a dark cupboard where nobody can see it. What is your view about how the Government should deal with this issue of prominence for public service media?

Benjamin King: There has been considerable debate on this subject over the last years. We have been anticipating proposals around prominence in the Media Bill for some time.

Netflix has always been of the view that, while we do not expect those proposals to affect us directly—we are not a gatekeeper to content; we are a service—we are broadly supportive of interventions that help to ensure the long-term sustainability of public service broadcasters. We believe they have such an important role to play in the ecosystem, and they are part of the reason why we originally decided to make our home in the UK.

That position is really unchanged. It important to say, alongside that, that those policy interventions should be proportionate, flexible and principles-based, et cetera. We do not want to cut across all the investment and innovation around personalisation and making sure audiences get content they truly want to watch.

Q104 **Kevin Brennan:** That is the issue, in a sense. As I understand it, the Government are not planning to ban the Netflix button from your remote control, but the reality is that the next generation of televisions do not even have channel changers on them. When you turn the TV on, you do not even get to anything resembling an electronic programming guide or any sight whatsoever of the BBC, ITV, S4C or Channel 4.

My point is this. If it is valuable and it has served as a really important foundation of our creative industries and our broadcasting sector, is that not endangered if we glibly allow this technology—these are proprietary devices that are now being sold to people rather than what we used to understand as a television—to be controlled by companies that want their product to be served up before anything else is seen? Is that not potentially the death knell for public service broadcasting, if that is allowed to happen without intervention?

Benjamin King: I do not believe it would be a death knell. When audiences want to watch programming, they are always able to find it. We have consistently supported the PSBs in their call for on-demand prominence. What needs to happen next is for the Government to introduce and Parliament to pass principles-based legislation, hopefully in the Media Bill. Then I am sure Ofcom will very capably devise a workable regime that balances all interests. That is something we look forward to working with them on.

Kevin Brennan: What do you think, Adam?

Adam Minns: I have quite a lot of views on prominence. I can see the logic in it. You have prominence in the linear world for public service broadcasters on the EPG. It follows that, if we are supporting public



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service broadcasting moving into the on-demand world, you are going to have prominence for their on-demand services. The logic is clear.

The question then comes, "How do you do that and when?" To the point about being a death knell, yes, perhaps in the future. At the moment, the main public service broadcasters are prominent on nine out of 10 platforms. They are right at the top, certainly above a lot of COBA members. Perhaps in the future there will be problems, so I can see the need to future proof things going forward.

When you do that, you have to be careful. You touched on this in a question in one of the previous sessions about whether there was any Welsh content on ITVX. Currently, those services, with the exception of the BBC, are not public service. There is no remit or mandate obligations on them to do X, Y and Z, to show news or to have news prominent. At the same time as giving ITVX prominence, you have to make sure it shows public service content, such as news, prominently within the player.

That is just mirroring what happens in the linear world. We do not just say to a public service broadcaster, "You must make news" or, "You must show news". We say, "You must show X amount of news in peak". Peak is basically prominence in the linear world.

Q105 **Kevin Brennan:** You would support principles-based legislation that would achieve this. Finally, it is disappointing that Amazon Prime did not come before the committee today, not least because they were happy to appear before the Scottish Affairs Committee, I noticed, last March.

Have you had a chat with them, Adam, about why they would not come in front of us today? They might have been interested in that "not anti-sport, just pro-profit" phrase of Ben's because they have invested quite a lot in live sport; presumably they are anti-profit. Have you had any conversations with them?

Adam Minns: I am not aware of the precise reasons.

Kevin Brennan: What have they got against the Welsh?

Adam Minns: I am not aware of their reasons for not appearing today. I am sorry.

Q106 **Ben Lake:** Staying on the sports agenda, Amazon Prime has broadcast the rugby autumn internationals. I wonder whether you could tell us how the viewing figures for the autumn internationals compare to the linear or free-to-air channels.

Adam Minns: I am afraid I do not have those figures for Amazon.

Q107 **Ben Lake:** There are concerns that bringing some of these sports behind a paywall might reduce interest and participation in them. How do the industry and the subscribers counter or respond to those concerns?

Adam Minns: In terms of Amazon and Welsh rugby, while you did have to have an internet connection to watch it, it was possible to watch it for



free as opposed to it being behind a paywall. Amazon had a one-month free trial, which it is very open about and publicises. How to do it was all over WalesOnline. As long as you had an internet subscription, you could have watched it for free. You were able to cancel that at any time.

To your broader point about when it is behind a paywall, there is no perfect solution to this because it is a trade-off between access and investment in the sport by having competition for those rights. I would also argue that it helps the plurality and diversity of sport by having different players approaching things in different ways.

In terms of investment, the best example I am aware of is Sky's relationship with the England and Wales Cricket Board. Over the last 10 years, the ECB's income has tripled from £100 million to £300 million. During the same period, grassroots investment by the ECB has grown from about £17 million a year to £38 million a year.

They have just announced £25 million for inclusion over five years; it includes various programmes. More people are involved in cricket than ever before. There are 1.5 million children, including 35% girls, which is the highest proportion of girls they have ever had. That has flowed from having Sky show cricket, and that is a good thing.

In the case of Welsh rugby, from everything I understand, the need for finance goes well beyond grassroots. We are talking about the main game here. The Oakwell report suggested that there is supposedly a looming financial crisis by 2025; you have players going to Japan and France because the league is not competitive financially with other leagues.

On the one hand, sure, you want access, but, by the time someone gets to that programme, you want to have something high quality and competitive for them to have access to. It is a trade-off.

Q108 Ben Lake: You mentioned cricket there. You referenced some of the quite substantial increases in funding. I do not suppose you happen to know whether that has translated into higher participation at a grassroots level.

Adam Minns: It absolutely has. I can give you figures for that. There is a programme called Inspiring Generations. There are 11 million people involved in cricket as part of that. That is up 30% in the last few years. That is where I got those figures from. It includes 1.5 million children, 35% of whom are girls. I can give you much more on that, if you want, as a follow-up.

Q109 Rob Roberts: Good morning, gentlemen. Before I come to my question, I just wanted to touch on the question Virginia asked earlier on to Ben with regard to the assurance you can give us that your documentary about the Six Nations will reflect the Welsh language. You said that production has not started yet. You have a wonderful opportunity, then. Hopefully you will be able to take back to the production team how important we feel it would be to reflect that and how disappointed we



would be if it did not.

Benjamin King: I will certainly pass that along.

Q110 **Rob Roberts:** My question is mainly to Adam, really. Loath as I am to praise Amazon because they did not grace us with their presence today, they provided commentary on the rugby in the Welsh language, and it was great. It was good to see. I watched it, and I am sure Ben watched it in Welsh as well.

Would you welcome something like that being written into future contracts with sports associations? "If you are covering Welsh games, either football, rugby or whatever sport, you must produce Welsh language alternative commentary".

Adam Minns: Every time you put a duty on the broadcaster or the service to do something in particular, you are reducing the commercial incentive to buy those rights and show that sport.

That would certainly be a better solution to freezing out all non-public service broadcasters from the listed events regime and saying explicitly that you are going, as the Media Bill is proposing, to make this exclusively the preserve of public service broadcasters.

Let us step back and look at what we are trying to achieve here. Perhaps we are trying to achieve Welsh language commentary. Perhaps we are trying to make it free at point of use. Those are the things that we should be looking at for the listed events regime, not making it the sole preserve of public service broadcasting.

Q111 **Rob Roberts:** Are you aware of whether Amazon got value out of transmitting it in Welsh? Did they think it was a valuable thing for them to do?

Adam Minns: I am not aware of their audience figures and the revenues that came as a result of that. I am not aware there is any further rugby planned on Amazon either.

Q112 **Ben Lake:** I believe they have the rights for the autumn internationals for the foreseeable future.

Adam Minns: I would have to double-check that, to be honest.

Q113 **Ben Lake:** I understand that they are interested in securing the rights. Of course, we would be very keen to ensure there is Welsh language commentary available.

Something you mentioned there, as to whether it is commercially viable, raised a potential alarm bell in my own mind. Wales is a very small country in global terms, and only a percentage of the population speak Welsh. Do you recognise why some of us are concerned that, if we do not have some sort of duty for there to be alternative Welsh language commentary, once the broadcasting licence has been secured the Welsh language commentary might be cast asunder?



Adam Minns: I am English-Austrian-German so I approach a debate about the Welsh language with a degree of trepidation. I am certainly aware of some of the pain and the passion that went into the creation of S4C. Having a broadcaster that is the custodian of the Welsh language is a beautiful thing, so I do empathise. My response to that is that, yes, I would rather have that stipulation on non-public service broadcasters than have them be told, "You cannot in any way show this event".

As you said, Amazon did a good job of that commentary, with the Welsh language being shown globally on a mainstream service. It is an opportunity missed if the policy response to that is, "Let us make sure it never happens again".

Ben Lake: Thank you. That is helpful clarification.

Q114 **Ruth Jones:** Thank you, gentlemen, for your time this morning. I am going to stay with sport and ask about the listed events regime, with group A and group B, and the Government's proposals to re-jig things and look at the scope of things like catch-up. Are you concerned about this intended reform, Mr Minns?

Adam Minns: Yes. As I mentioned before, the Media Bill proposes to make listed events in linear the sole preserve of public service broadcasters. In practice they are at the moment because no one else has the combination of free-to-air and the same reach. The Media Bill will make that explicit. That just means, whatever they do, even if they are a free-to-air service themselves, no one else can get those rights and show them.

We are having the same discussion about catch-up as well. It is the same point, really. Do you want to make it explicitly the preserve of public service broadcasters or do you want to allow competition for those rights, which may have the benefits of investments and promoting the diversity of sport? I would say, for example, Sky did a lot to promote women's football.

There are trade-offs there, and there are more elegant ways to address this by looking at what we really want to achieve. Do we want the Welsh language? Do we want it to be freely available? Those would be the kinds of requirements you would put on a service getting listed events.

Q115 **Ruth Jones:** You talk about elegant solutions or alternatives. The Government Bill has come forward. Are you lobbying the Government on this or is it something you have decided is gone?

Adam Minns: We have responded to the consultation about on-demand rights. We are not actively talking to Government about the linear regime, although we have made the same points as part of our response to on-demand.

Q116 **Rob Roberts:** Mr King, earlier on in response to the Chair's opening remarks, you mentioned that people are keen to watch programming that reflects their varying lives in the UK, and you said it was a big growth



area. What priority do you give to the accurate depiction and reflection of life in Wales? How do you depict that? Wales is a large geographical area with very diverse pockets of subcultures. Cardiff is very different to Gwynedd, which is very different to Flintshire. How would you subdivide that into not only life in Wales but life in distinct parts of it?

Benjamin King: We put a high premium on that accuracy because audiences respond so positively to it. Ultimately, we are in the business of commissioning, producing and licensing the best stories we can find. We will always be incentivised by what seems to have the greatest creative potential and merit. That is really the lens through which we look at it.

Rather than necessarily trying to fulfil an obligation to ensure we are commissioning stories from specific places, we look for the best stories. We want those stories to be distributed as broadly as possible across both Wales and the UK because that is likely to please a wider variety of our members.

In terms of how we incentivise those stories to be generated in the first place, if we put as much money as we can into the Welsh creative ecosystem by working with Welsh indies—as we mentioned earlier, we made “Havoc” with Severn Screen; we have a number of projects in development with other Welsh indies, which I am not able to talk about at the moment, unfortunately—that will hopefully, through that investment in the local ecosystem, create more opportunities for those stories to be told in the first place.

Q117 **Rob Roberts:** You say you want the best story rather than the best coverage of a region’s best story. Collectively, across the whole of north Wales, there are about 800,000 people. If there were a story based in north Wales and an identical story on the east coast of England, where there might be 2.5 million people, would you run that story rather than the one in north Wales just because it covers more people?

Benjamin King: No, not at all. We would not only think of the audience for that story being the people who are based in that area. It is true to say of Wales, as it is true to say of anywhere, there are people living in Wales who are not necessarily Welsh and lots of Welsh people who do not live in Wales.

That is really why, when we think about our audiences and the sorts of things they want to watch, we look at their viewing habits; we look at how we can cluster their tastes; and we look at the stories that we think will appeal to the broadest possible audience. They might have an extraordinary level of cultural specificity, but the universal resonance of the story that is being told could mean it has the potential to travel very far. Those are some of the lenses we apply.

We certainly do not think, “We want to reach the broadest possible audience in a particular place, and therefore this story is likely to do that”. One of the benefits of not being a linear channel, for example, is that we are not trying to reach the widest possible audience at any one



moment in time. We can put content on the service. It can find an audience over a period of days and weeks and be considered no less successful for that. That liberates us in terms of how we think about what has the greatest creative potential.

Q118 **Rob Roberts:** I have a similar question, Mr Minns. Wales only has 3.1 million people. London has 10 million people. How do we ensure Wales is properly reflected as part of the UK, as part of British life?

Adam Minns: Wales has a very good and strong advantage over a lot of the UK at the moment in that you have scale there. People want to shoot there because they know all the facilities are there; the studios are there. Costumes, make-up and all the rest of it is there. It is a very attractive place to go.

If you were to go to the east coast of England, I am struggling to think where you would shoot anything. All things being equal, a lot of producers would say they would rather shoot in Wales than on the east coast.

In broader terms, the way you go about making sure there is a strong representation of Welsh culture, history and life is by having a diversity of players making shows in Wales that speak to different parts of the audience. I mentioned the average Welsh person being 37% more likely to watch Sky History than the average UK person. They will have a certain type of programme that fits their audience and the demographic they are appealing to.

That may or may not be completely different to Sky Arts, which is free to air and makes a lot of shows about Wales. They did the “Landmark” series recently, which is about Welsh artists. They had one artist whose—“inspiration” is the wrong word—work was about the Aberfan disaster. They had another artist who was looking at the tension between city and rural life. You have both of these happening on non-public service channels.

They are very different approaches, but both, I would argue, about Welsh life and culture. My point is that you want to have a range of players making different things.

Q119 **Wayne David:** Following on from that, when we took evidence from BBC Wales, they made a big play of the fact that they saw themselves as something like cultural ambassadors for Wales domestically and externally. They cited, for example and especially, their support for the BBC National Orchestra of Wales.

The BBC has resources, but would Netflix, for example, consider similar cultural support? I think in particular of the National Youth Orchestra of Wales, which is struggling for resources. Would Netflix, at some point in the not-too-distant future, consider some sort of support like that?

Benjamin King: We are certainly very conscious of ways, outside our commissioning and content investment, we can support the broader ecosystem more generally. We are very aware of the fact that other parts



of the creative industries create the pipeline we then benefit from in our specific part of the sector.

For example, during Covid we gave a lot of support to theatre artists. We set up a fund with Sam Mendes to ensure they were able to weather that storm because that is such an important pipeline for the content we make. In the same way, I certainly would not exclude the possibility in the future that we would support other areas of the arts as well, where we can see a specific connection between what they do and what we are trying to do.

Q120 Wayne David: Adam, is that something you would welcome and encourage your members to do?

Adam Minns: Yes, absolutely. Public service broadcasting has a particular place here. I do not think anyone is saying, "We are going to be bigger and better than the BBC in terms of supporting the national orchestra".

Again, I would go back to the things Sky Arts does around the arts in Wales as well. Along with that "Landmark" show, they had a very innovative drama called "Galwad", which you may have come across. That was last year. It was set in Wales. I promised myself I was not going to try to pronounce it this morning, but Blaenau Ffestiniog was part of that. That was an online drama as well.

There is a lot that goes on beyond the initial broadcast. As a sign of how COBA members approach their responsibilities, I would point out the amount of investment and time they spend on training in Wales as well. I am happy to talk about some of the figures on that, but COBA members are involved in many programmes in Wales to train people, individually and also collectively.

Q121 Ruth Jones: Following on from that, Mr King, as I am the Member for Newport West, "Sex Education" was very important to us when it first started off. That first site is now a housing estate so you cannot access that so much any more. How do you make decisions in terms of choosing new locations?

As a plea, when you say "Wye Valley", it does not mean anything to a lot of people locally. Can we not say "Newport"? Newport people are quite proud of Newport, but that is by the bye. How do you choose your locations when other factors come in the way?

Benjamin King: The first and most important factor is always the creative intent and the creative vision for the show. The decision to make "Sex Education" in Wales in the first place was in large part motivated by the discovery of Caerleon Campus and its suitability as a location to set Moordale High.

Location is all important, and how that aligns with the creative vision. That is really the first thing we would look at, but it is a multifactor decision. It is also dictated by the strength of the local crew base, the talent's willingness to base themselves in a particular location, the



broader infrastructure considerations and so forth. Generally, if we find a location that we want to set something in, we try to make the other factors work for us.

Adam Minns: Part of that is about how you make sure this amazing production boom that is happening at the moment is not fleeting and does not disappear. Look at the scale Wales has achieved. Cardiff has become this huge production centre outside London. It is the third biggest in the UK. Look at the amount of investment. There is more studio space in Wales at the moment than there is anywhere outside London. Non-PSBs are investing in those studios. Sony has an equity position in Bad Wolf Studios. Look at how different local producers are getting commissions. I mentioned Severn Screen having multiple commissions with different broadcasters. Plus you have returning series like "Sex Education", "His Dark Materials" or "Britannia".

All of this represents a real lasting legacy for Wales. There is no worry that this is suddenly going to disappear or anything.

Benjamin King: On that point, training is so important. The commitment to training Netflix makes is quite a significant one, first at a production level. On a show like "Sex Education", you had 60 trainees across four seasons of that show. That has made a very material difference to the strength of the crew base in that part of Wales. Equally, when we made "Lady Chatterley's Lover" up in Chirk near Wrexham, we had a number of trainees on that film. We have done for "Havoc" as well. Particularly with returning series, you see that over time you are helping to strengthen the local creative community in a way that fuels a virtuous cycle of investment, where other incoming productions see greater merit in basing themselves in a particular location and it attracts more inward investment, which in turn produces further gains.

As Netflix and as an industry, we are committing to training. We have a UK-wide program called Grow Creative UK, which trains up to 1,000 people a year both in the classroom and on set. If there is one challenge that our industry is facing, it is the skills challenge. It behoves all of us to address that. It is also something Government would do well to take as a significant policy priority, if we want our film and TV production industry to carry on being world class in the way it is today.

Q122 **Ruth Jones:** You have led me on very nicely to my final question, which is all about skills. We want to see the industry consolidate in Wales; we do not want it to be fleeting either. You have mentioned some specifics there but, Mr Minns, in terms of addressing the skills shortage and the technical people you need, what are you doing within Wales, within the local area, within the local sector or with students? What are you doing to counteract that?

Adam Minns: I would break it down into two camps, the collective work and the individual work. Collectively, non-public service broadcasters are the biggest contributors to the high-end TV skills fund, which is now



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about £11 million a year. It is, if not the biggest, certainly one of the biggest training funds in the UK. That is run by ScreenSkills.

As part of that, there is a Welsh working group that makes sure Wales gets its fair share. They have just announced two programmes. They had a networking event last night in Cardiff. That is our biggest contribution collectively, and it is a major one.

Individually, HBO is a key partner with Screen Alliance Wales. Sky, Disney and Netflix are working with Ffilm Cymru Wales on the Foot in the Door programme, which has provided 300 paid roles in crew. As I mentioned before, we are creating jobs. That is giving people the opportunity to stay and work in Wales rather than moving elsewhere.

I have to mention apprenticeships. It is a mystery why we are still in pilot schemes for reforming apprenticeships. At the moment, across the UK, the screen sector spends £20 million on apprenticeships. We have to pay the apprenticeship levy; it is £20 million. Of that, we use £5 million. That £15 million could be transformative, if we could access it. We cannot because you cannot use it. You have to have a contract that is longer than a year. That applies in Wales even though there is a devolved element to the training.

It is a mystery why this has not had radical change yet. If you were to do that, you would not need a single extra penny of money. The money is already being spent. It is as guaranteed to drive growth as you will get. It is hard to think of something that is more nailed on than that. It is just crying out for reform.

Benjamin King: I would really echo Adam's frustration on that point. We partnered with Warner Bros and DCMS on an apprenticeship levy pilot, which concluded towards the end of last year.

While I hope we gave the trainees on that programme a good experience, the pilot—it was about creating a standalone training agency that could employ people for 12 months and therefore use apprenticeship levy funds but place them on a combination of Warner Bros productions and ours—showed that the model was really not scalable.

It underlined what we already knew to be the case, which is that we need to bite the bullet and consider much more wholesale reform of the apprenticeship levy. As Adam said, this is about unlocking existing investment. We are delighted to put it aside, but we are not then able to spend it. When the skills shortage is probably the greatest challenge facing our sector right now, it is difficult to comprehend why this is not at the top of somebody's in tray.

Ruth Jones: You have opened a whole can of worms there.

Q123 **Wayne David:** Mr Minns, you are clearly making an important point. What representations have you made to Government? What has their response been?



Adam Minns: We have made every single representation I can think of, to be honest.

Q124 **Wayne David:** What has their response been?

Adam Minns: From public service broadcasters to non-public service broadcasters, from on-demand to broadcasters, there is not a single corner of the screen sector that will not cheer if this goes through.

At the moment it has been pilot schemes. They are welcome, as a first step. We are on to the second pilot scheme now. COBA members have been involved in those. HBO and Warner Bros were part of this, as were Amazon and Netflix.

It has been five years since apprenticeships were introduced. I could not tell you why it has not changed. I have never had an answer, to be honest, about why not. You can see I am stumbling on this one. It is absolutely frustrating.

Q125 **Chair:** We will follow that up. If there is a particular model the sector is asking Government to bite on and introduce, we would love to see that and review that as a Committee.

If I could just follow up, Mr King, you mentioned 60 traineeships being created in the production of "Sex Education". "Traineeship" can mean lots of different things. In my mind, when you are speaking, I am imagining positions that could last for maybe a few weeks of filming while you move in, do the production and then move out again. Am I right in thinking that?

Benjamin King: It depends on the specific role. They were across a number of departments. Most of them were for the duration of that particular season of production.

Q126 **Chair:** Is it typically weeks or months?

Benjamin King: It can be several weeks or several months. It depends whether you are in production accounting, production management, VFX or the art department.

We were delighted to see that a number of those trainees returned as full-time crew for subsequent seasons. The First Minister, Mark Drakeford, came to set last year and met a number of those trainees for himself. It has been a very positive experience for all involved.

I should mention that we also invest in the Women in Film and TV mentoring scheme in Wales specifically, which is about supporting mid-career women in the industry who want to move forward in their career. That is another thing we do both in Wales and, indeed, nationwide.

Q127 **Chair:** I am just trying to understand what is preventing you from running an apprenticeship scheme in Wales. When I meet ITV Wales or BBC Wales, they are able to point to talent they have taken on raw, brand new, and then trained up over a period of years. They have made that investment presumably because they have a permanent footprint in



Wales, which does not lend itself to the model that you are talking about, Mr King.

Benjamin King: That is exactly the difference. On a production-by-production basis, your crew are always freelance, so you are not in a position to give them that 12-month contract that you need to be able to invest apprenticeship levy funds in their training. In the simplest terms, that is why the apprenticeship levy is not very useful for our industry. The overwhelming majority of people are in freelance positions.

Adam Minns: We will use apprenticeships, but, as Ben says, you need a year's contract. It will be for people on contracts in broadcasting or accounting. It will be the back room things, which for our members do not tend to be in Wales.

The problem is that we want to use it for production. These people will be in permanent work, as it were, because you are moving from one production to another. There are not enough crew members to go around at the moment. They are being poached mid-production by other productions. The problem is that the individual contract is only for a month, two months or three months so you cannot use it for an apprenticeship scheme.

Q128 **Chair:** Presumably you could partner with a Welsh production company and fund an apprenticeship within a Welsh production company. Could there be a "Netflix apprentice"?

Adam Minns: They would not be on a year's contract either, unless that company employs that person. That is not how they work.

Q129 **Chair:** I get that. What I am trying to get my head around is that there is a permanent ecosystem of film and TV production in Wales, public service broadcasters and independent production companies. There is a particular model that you and your members use. Surely there is a way to marry up both and access the funding to do this over two or three years, whatever it takes, to raise up talent within Wales.

Adam Minns: We do that to an extent. The studios are there permanently. There is scope for some parts of the sector to use apprenticeships, but that is just a tiny part of the screen sector. Production is the area that is absolutely booming and going from strength to strength. We want it to grow. There is more out there that we could draw to Wales or to the UK, if we had the capacity.

Benjamin King: We can and do transfer our levy funds from time to time to people who are able to offer those training contracts. The money Adam referred to that is generally unlocked for investment in training in our sector is usually in the VFX and post-production field, where houses tend to have people on permanent full-time contracts. It is much easier to set up that model for training that can then use apprenticeship levy funds.

In the past we have transferred unspent funds from our pot, of which there are plenty, to those houses to support those traineeships. We



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would like to be able to either scale that more broadly across the sector or simply reform the levy to make it more flexible and allow it to be used to invest in freelance crew training.

Adam Minns: I can point to members of COBA like Amazon, Sky or BT. They will certainly have hundreds, maybe even thousands, of apprenticeships they are running, but we want to do more.

Chair: That is very helpful. We are approaching our allotted time. We have certainly covered a lot of ground this morning. It has been a really fascinating and insightful session. Mr Minns and Mr King, thank you for your time and for giving us your expertise this morning.