

Written evidence submitted by S4C

The Impact of Covid-19 on DCMS Sectors.

S4C submission to the DCMS Select Committee

Background: S4C and Covid-19

One thing that has become apparent during lockdown is that S4C's role as the Welsh language public service media provider (PSM) is more important than ever.

As soon as it became apparent the UK might have to enter lockdown, plans were put in place to ensure that S4C's services and content could continue to inform and entertain the audience but also to support them. Ensuring that broadcasting could continue was a key priority. S4C was already accustomed to online and flexible working with staff based across three locations. Many employees already worked remotely or from more than one office. Before lockdown was called, staff who could work from home were encouraged to do so and measures put in place to ensure that colleagues on the broadcasting side could work safely from S4C's Parc Tŷ Glas transmission hub. S4C's content and business teams were in close contact with the sector to establish how programmes and content could continue to be supplied safely.

Within days of lockdown, S4C launched its campaign '**Yma i Chi**' [Here for You.] The programme schedule was adapted and changed and a special pop-up channel on S4C Clic was introduced. The CEO and Director of Content held their first ever Facebook Live session and following audience feedback, S4C upped its new coverage, including broadcasting the Welsh Government's daily briefing live and introducing a new Sunday service programme. We have also covered key UK government announcements with wraparound Welsh commentary to enable the audience to understand the decisions that affect them.

Ysgol Cyw (Cyw's School) was launched to support home learning, and box sets and archive content have been made available. Since lockdown, S4C's average number of viewers of children's TV is up 182%, and with many children in Welsh medium education coming from homes where the language isn't spoken, the service has a vital role.

During lockdown, S4C has employed two digital journalists to deliver Welsh language news first-hand to the viewers, and through new S4C news social media sites, S4C has been at the helm in delivering well-received coronavirus news in Welsh. Overall viewing figures are slightly up for the period demonstrating that S4C is a trusted and valued resource - news audiences alone are up 40% since lockdown for example. S4C's online brand **Hansh** had its best ever month of viewing sessions on social media in April 2020. Social media posts and engagement has also increased significantly with an increase of 200% on S4C Facebook views in April 2020 compared to April 2019. And audience feedback has been positive with a 10% increase in the number of people giving positive feedback on S4C content.

Challenges and Effects of Covid-19 on S4C and the Screen Sector in Wales

Despite this however, **there has been a significant effect on S4C's schedule and the wider sector in Wales.** Journalists and broadcasters who are providing public

service broadcasting are included in the category of “key public services.” However, most of S4C’s productions have understandably had to stop filming, and like all PSMs, we are having to adapt to an evolving situation. Magazine shows like our flagship programmes **Prynhawn Da** and **Heno** are continuing to provide daily weekday shows under the current physical distancing rules. Some content like our lifestyle changing series **Ffit Cymru**, factual entertainment show **Priodas Pum Mil Dan Glo (Lockdown Wedding)**, **Eisteddfod T**, and the UK’s first drama produced in lockdown **Cyswllt (Lifelines)** has already been filmed and broadcast, as has some children’s and fixed-rigged content.

Most **drama, sport, live events, entertainment, soap-opera and factual productions have been cancelled or postponed**. This is having an effect not only on our current schedules, but on those of the medium to long-term: content that was due to finish filming in April would have been broadcast from autumn 2020 onwards. It is also affecting our independent production companies and the freelance workforce on which they depend. **When the sector can return to work, production costs will likely be higher than they were pre-lockdown to comply with the ongoing physical distancing rules. We could also see increased costs as rescheduled and new productions compete to employ a small pool of freelancers in Wales.**

Despite scheduling changes to reduce the number of weekly episodes broadcast, S4C like other PSMs is facing the challenge of its soap opera content running out – with the last episode of **Pobol y Cwm** to be filmed before lockdown due to be broadcast on 18.6.20 June. Due to its high level of popularity, the disappearance of Welsh language soap opera content will be a huge disappointment to audiences and will undoubtedly have a detrimental effect on the channel’s performance.

S4C’s coverage of key national events such as the Urdd Eisteddfod, the Royal Welsh Show, and both the Llangollen and the National Eisteddfodau, **is an important part of our schedule, particularly over the summer months. All of these events have been cancelled for 2020. This will have a significant economic impact on the host organisations and the event locations** as well as affecting S4C’s schedule, with a need to find alternative content. We are actively addressing this - S4C worked with the youth organisation Urdd Gobaith Cymru and production company Avanti to support a successful and well-received virtual **Eisteddfod T** between May 25 and 29 for example. This has been the largest digital live broadcast for children in the UK during the pandemic. Nonetheless, there will be significant gaps to fill over the summer: the National Eisteddfod usually provides us with 80 hours of original content during August, a month where our repeat rates are at their highest.

Supporting the Sector

Alongside S4C’s cultural impact, **S4C has a significant economic impact on the Welsh economy**. We invest and commission most of our cross-platform content from production companies across Wales. **S4C’s supply chain companies play a major role in their local economies and beyond their catchment area as productions travel the country to film content that reflects Wales. The Covid-19 lockdown could therefore have a significant economic impact across the nation.** S4C has worked closely with industry body TAC (Teledwyr Annibynnol Cymru), BECTU and Equity to mitigate this. We’ve kept in close contact with the sector throughout the crisis period, holding regular virtual sessions for our supplier companies.

S4C took action at the beginning of April with a package worth £6m to support the production sector in Wales whilst ensuring content for our audiences. This included:

1) **a quick-fire commissioning round, with approximately £5m worth of new content.** We asked our companies to think creatively in how they supply us with content, and to pitch programmes which could be broadcast as quickly as possible and several already have been. [A second round has subsequently been held with the commissions due to be announced imminently.]

2) Additional support has also been made available to production companies. To enable companies to support production staff, S4C introduced additional stage payments if a company was between stages when production had to stop.

3) In addition, we've also created an online portal advising our production companies of all Covid-19 support available to them, which is regularly updated.

S4C's production companies have shown tremendous ingenuity in responding to the April commissioning call-out, with the intention of turning creative ideas into relevant and quality content, within an extremely tight timescale.

S4C has also offered free advertising slots to charities offering Covid-related support in Wales plus financial assistance to create advertisements. This initiative has been welcomed by the charity sector and with the first advertisements currently appearing on S4C and representing a range of charities across Wales who are serving the needs of their communities and people in need.

Freelance workers

Freelance workers are a cornerstone of the screen sector in Wales and we are particularly concerned about the impact of lockdown on them. Our production companies are dependent on their services and there is a real risk they will be lost to the sector, which could lead to delays when lockdown is relaxed and productions able to restart. S4C has worked with other PSMs to highlight the importance of supporting freelancers to the UK government and the need for support packages. We have also raised the issue with the Welsh Government.

Between the Welsh Government, the UK government and various charitable organisations, there is a variety of support available to the sector and production companies. Nonetheless, the situation in terms of freelancers remains a concern for the sector. For example, there's limited support for PAYE freelancers apart from Job Seekers Allowance and Universal Credit. These are key workers that enable the sector to function including camera assistants, costume assistants, riggers and runners etc.. **With welfare a UK-level issues, but the creative industries a Welsh Government responsibility, there is a need to ensure that freelancers don't fall through the cracks of support between both governments, with a significant long-term effect on the production workforce in Wales.**

Supply Chains and Recommencing Filming

S4C is committed to the safety of those working on its content. S4C and TAC (the umbrella body for Welsh indies) support the [guidelines that have been issued by broadcasters](#) to encourage restarting production following the Covid-19 crisis (published on 18-5-20) and encourage companies to follow them in their production within the current constraints.

Covid-19 spreads at different rates. Within Wales itself, the R rate could differ significantly, and the rate in Ceredigion or Gwynedd could be vastly different to that in London or the north of England. This must not be forgotten when post-lockdown plans are being forged and discussions between the Welsh and UK governments take place.

The ability of production companies to obtain insurance for post-lockdown content to enable filming to start will have an economic impact. Whilst the small number of S4C's programmes still in production have so far been able to secure general insurance on a case by case basis, **companies are not able to secure insurance against Covid 19.** Insurance **costs have risen to 0.85-1% of the budget and the excess from ca £2.5-5k** (dependent on risk) **to between £10-£40k.** S4C is in close contact with its production companies and other broadcasters about this and has flagged the concern with both governments. We are also in contact with other Celtic broadcasters facing the same challenges.

Were the two-metre rule to continue, it is important to note that production companies are already going as far as is possible within these rules (for example with **Heno/Prynhawn Da**, our news and current affairs programming, and fixed rig shows such as **Syrjeri Amlwch**).

Drama

While programmes are already safely being produced in some genres, we know that **drama** (with larger production teams) faces one of the greatest challenges in resuming production under physical distancing. **Costs will undoubtedly increase.** Whilst **quarantining** drama cast and crew has been raised as a potential solution, this would have significant cost and other practical implications. **It is not a realistic option for ongoing soap operas, and with S4C already operating lower drama tariffs than other commissioners, it is also unlikely to be viable option for our productions.**

As mentioned above, **the ability to secure insurance** will be critical in resuming productions, and this **is one of the biggest challenges facing drama productions.** **The genre represents a significant investment** and the inability to obtain production insurance for Covid-related risks means that **broadcasters and producers may be unable to take the risk of producing drama until a solution is found to this issue. This will not only have a significant economic impact on the sector in Wales but also would have a significant cultural and audience impact were no Welsh language drama to be produced.**

To address the additional challenges in resuming drama production, S4C has established a new drama forum from amongst its drama producers, which meets regularly to look at how drama production in Wales can be resumed.

There is also a concern that rescheduled productions will lead to **a shortage of staff** (e.g. should a delayed production from March 2020 resume filming in October 2020 at the same time as a production already scheduled for the autumn also begins filming, talent or staff who would have worked on both productions won't be able to do so.) This **could lead to companies outbidding one another to ensure a production workforce.** This could not only happen between the home-grown companies, but also with high-end drama productions coming to Wales to film and competing or affecting existing productions operating to lower budgets.

Sport

Sport is a core part of S4C's content provision and is important to reach a wider audience. Currently, S4C like other PSBs is delving into the archives to give viewers another chance to enjoy some unforgettable moments from Wales' rich sporting past, although this is resource intensive. With the sporting season brought to a standstill by the COVID-19 pandemic, S4C lost over 170 hours of content from its March – August schedule. We have commissioned several programmes to be shown over the coming weeks, including a host of classic rugby and football matches, sports documentaries and

series looking at the latest sporting developments. We've also acquired new content e.g. the Super Rugby Aotearoa tournament and are offering a new way of enjoying cycling with programmes featuring Welsh Tour de France winner Geraint Thomas, Luke Rowe and some of the world's most famous cyclists on a virtual Zwift course.

However, we believe that sport is an activity which could potentially be resumed and filmed with the right levels of controls in place. Clearly, we are talking about sport played behind closed doors without supporters present, and as such the risk could be managed accordingly. Not only would it help PSBs to fill their schedules, but it would also have a high impact on social and psychological well-being given the significant role that sport plays in people's lives. Discussions are underway to ensure that S4C can broadcast sport safely as soon as possible.

Wider Content

In considering S4C's content and its schedule (and thence costs), we must be realistic as to the extent productions will be able to fill schedule gaps over the months ahead. While people are willing to accept some content filmed via Zoom, Skype or on mobile phone at present, they'll be less receptive once restrictions end. There's a risk that the audience will tire if there are too many 'Zoom shows.' There is therefore a careful balance to be struck when commissioning content that could quickly look dated when restrictions are eased. There's also a 'lead-in time' challenge with regards productions with potential clashes and impact on the availability and costs of both talent and crew when filming can resume.

Another consideration we are facing regards the minimum of 10 hours a week of content S4C receives from the BBC under statute. With **Pobol y Cwm** not filming, the National Eisteddfod not taking place in its usual format and with sport not being broadcast, there are issues around this provision which could have significant content and economic impact on S4C and the wider sector in Wales.

UK and Welsh Governments

S4C is accountable to DCMS. S4C also works with the Welsh Government, particularly so since the 2018 independent review for DCMS recommended partnership working to support the target of a million Welsh speakers by 2050. It enjoys a good relationship with both governments. Since lockdown, S4C has been in regular contact with DCMS and the Welsh Government including its new entity Creative Wales with Chief Executive Owen Evans participating in weekly calls.

Next Steps and Considerations

S4C now has a stable operating structure but needs to prepare for whatever a limited relaxation of the lockdown arrangements brings. Our priority is staff safety and wellbeing, ensuring that our content can still be broadcast from Llanisien, and the wider safety and viability of the production sector. The Carmarthen headquarters and the Caernarfon offices will remain closed for now and staff are supported to work from home. We are developing plans to resume working at these offices in a safe manner under physical distancing requirements. There may additional costs related to PPE and ensuring staff safety.

S4C want to allow increased original production in a safe way but not at the cost of putting producers or the public at risk. S4C's producers have found innovative ways of creating television since lockdown began and we're hoping this can continue if we work together. At the moment, some of the key challenges for production companies include the current physical distancing regime, travel and overnight accommodation for filming on location, and how Local Authorities are interpreting current guidance. S4C is working

with the Welsh Government to ensure that the creative industries Covid-19 guidance reflects the nature of the sector in Wales and enables the indies to produce content safely across all Local Authorities.

In May S4C was due to move its technical broadcast activities to the BBC's new Central Square building in Cardiff. However, as a result of COVID-19, BBC Cymru Wales shut down activities in Central Square to decamp all key staff back to its current transmission base in order to keep its core broadcasting services going. S4C supported this given the need to focus energies on core broadcasting services. The co-location project has recently been re-mobilised and the parties are now working to a revised timetable. In the meantime, we've highlighted to DCMS that the project had to be put on hold with a delay to the expected savings from the project.

16 June 2020