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Assessment of the Economic and Social Impact of S4C's 2022/23 Activities



S4C

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Executive Summary

Since its first broadcast in 1982, S4C has evolved from being Wales' pioneering public service broadcaster (PSB), and Britain's fourth oldest terrestrial television channel, into a recognised national economic and social anchor institution with outputs and responsibilities that extend far beyond one channel.

S4C commissioned Wavehill to undertake an assessment of the economic and social impact of their activities during the 2022/23 financial year. This assessment has occurred at a crucial time for S4C having recently celebrated their 40th anniversary and released a new strategy which outlines the process of transitioning from a traditional broadcaster to a public service media publisher with a new focus on multi-media content and expanding the reach of the work they commission. The assessment also comes at a time where S4C has undergone a significant change in their funding structure, moving from a Government funded broadcaster to being mostly license fee funded.

S4C's Economic Role in Wales and the UK

S4C has a significant footprint within and across local communities across Wales in their role as an employer, commissioner and anchor institution within the Welsh media industry.

- **A Local Employer of High Quality Jobs:** S4C employs 118 full time equivalent (FTE) high quality and well-paid jobs, primarily in Cardiff, Carmarthenshire, Gwynedd and Ceredigion. Over half of these jobs are based in relatively deprived areas with average earnings below the Welsh and UK averages.
- **Prominent Figure in the Welsh Business Community:** In 2022/23, S4C spent over £104.5 million with 977 suppliers spanning 47 distinct sectors. These suppliers ranged from content producers to office suppliers to marketing firms. Three out of every four pounds were directed to suppliers headquartered or based in Wales. Of the £78.6m spent in Wales, more than half were to suppliers located outside of Cardiff.
- **Significant Contributor to the Welsh and UK Economy:** Through its day-to-day operations, supply chain spend and salaries, and visitor impact, S4C's activities in 2022/23 are estimated to have supported 1,900 FTE jobs and generated £135.6m in GVA in Wales. This impact rises to 2,300 jobs and £157.2m in GVA across the UK. This implies that just over 1 in every 7.6 jobs in Wales' 'Film, TV, Radio, and Music' sub-sector is supported by S4C; and that its total Wales GVA contribution is equivalent to 42% of Wales' 'Film, TV, Radio, and Music' sub-sector and 0.2% of Wales' total GVA in 2022.
- **Cost Efficient and Value for Money:** Not only is S4C one of the most cost-efficient PSBs in the UK with a cost per hour significantly lower than other broadcasters but its activities generate tax revenue that exceeds the funds it receives - for every £1 pound of license fee funding received by S4C, £1.02 is generated in tax for HM Treasury.
- **A Good Return on Investment:** For every £1 of license fee funding received by S4C, the broadcaster generated £1.53 in GVA in Wales, rising to £1.77 for the UK.

- **Champion and Nurturer Talent:** Through its own influence and strategic partnerships with organisations like TAC, Screen Alliance Wales, Creative Wales, the BBC, and ITV, S4C plays a pivotal role in fostering and guiding the training and apprenticeships landscape of Wales' cultural sector. S4C actively encourages both Continuous Professional Development (CPD) and apprenticeships, not only to support the current workforce but also to cultivate new talent through supporting young people into the industry, ensuring a robust and skilled creative sector in Wales for the future.
- **Leader in Cultural and Creative industries:** S4C is a champion of the sector and possesses influential power to promote and lobby policies including its contributions toward the Government's proposed media bill. In 2022/23, S4C partnered with 70 production companies and allocated c80% of its budget to commissioning content, of which over 98% was produced in Wales.
- **Enabling a Welsh Language Economy:** When surveyed, S4C's direct suppliers noted that speaking Welsh was an essential skill for 75% of their employees.

S4C's Contributions to the Welsh Language and Social Value

S4C is committed to providing social value from its activities including production, promotion and programming for its audiences, local communities and the people of Wales. The company's social impacts align with and contribute directly to all seven well-being goals in Welsh Government's Well-being of Future Generations Act:

- **Advocate of the Welsh Language:** S4C have adopted a more active role in the promotion of the Welsh Language by signing an MOU with Cymraeg 2050. This includes taking a more active role in the production of educational resource, supporting new Welsh speakers and enabling the intergenerational transmission of Welsh.
- **Elevating the Welsh Language to a Global Stage:** Recent S4C programming (drama in particular) has garnered an international audience, with *Dal y Mellt* becoming the first Welsh only drama to be purchased by Netflix. S4C have also capitalised on opportunities to promote the Welsh language worldwide through the Men's Football World Cup and the change in ownership at Wrexham AFC.
- **Equality, Diversity and Inclusion:** S4C have laid the groundwork to improve both on- and off-screen representation of Wales in its entirety by partnering with the Creative Diversity Network to monitor talent and workforce gender, age, race, disability and sexual orientation. S4C were also a main sponsor of the Pride Cymru festival and produced a wide range of programming to coincide with Pride month. S4C continue to support a number of training initiatives with It's My Shout, Screen Alliance Wales, ITV Wales and Careers Wales to ensure they develop a more diverse workforce.
- **Inspiring and Educating:** S4C have partnered with the Welsh Government to produce more educational content and host some of their programming on Hwb to support the new curriculum in Wales. With programming produced across the entirety of Wales, work commissioned by S4C allows local people to secure experience in their local area.

- Environment and Sustainability:** S4C have partnered with the BAFTA Albert Consortium to ensure that their programming is more environmentally sustainable. The organisation plays a role in sharing good practice between their suppliers reducing the Welsh media sector's environmental impacts.

S4C

Economic and Social Impact in 2022/23



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In 2022/23, through its day-to-day operations, S4C...

Employed

118

full time equivalent jobs
in Wales



Cardiff	36%
Carmarthenshire	24%
Gwynedd	16%
Rest of Wales	23%

Generated

£7.4m

in Gross Value Added (GVA)
in Wales

and just from its supply chain activities...



spent

£104.5m

on its suppliers



which has supported

658

Welsh suppliers



52%
of S4C's direct spend in
Wales went to businesses
outside Cardiff

Sectors supported most by S4C's expenditure are...


Video and TV
Production


Programming and
Broadcasting


Sports and
Recreation


Office support
and admin


Advertising and
market research


Creative arts and
entertainment

S4C's total economic contribution in Wales has led to....



1,900
FTE jobs



£135.6M
in Gross Value Added



0.2%
of Wales' total GVA produced

For every £1 of license fee income received by S4C...

£1.53

in GVA goes to
Wales' economy



£1.77

in GVA goes to
the UK economy



£1.02

in tax is returned
to the Treasury*



S4C supports and contributes to all 7 well-being goals within Welsh Government's Well-Being of Future Generations Act:



- Expanding Welsh language learning resources
- Ensuring better representation in Welsh media
- Promoting Environmental Sustainability in Production
- Supporting apprenticeships in the sector

75%

of jobs for S4C's direct
suppliers need Welsh
language skills



1. About this Report

Coinciding with the organisation's 40th anniversary, S4C commissioned Wavehill to conduct an assessment of the economic and social impact stemming from its activities during the 2022/23 financial year.

Since its first broadcast in 1982, S4C has evolved from being Wales' pioneering Welsh public service broadcaster, and Britain's fourth oldest terrestrial television channel, into a recognised national economic and social anchor institution with responsibilities that extend far beyond one channel.

This report explores S4C's multifaceted role, shining a light not only on its national footprint but, more significantly, within local communities and on individuals. It delves into the economic contributions, societal influence, and broader contributions made at each of these levels that define S4C's legacy and ongoing mission.

Key Research Objectives

This study seeks to assess S4C's current contribution and evaluate how that contribution can and has grown with the implementation of S4C's Contribution to Society Policy Statement. In response, the report sets out four key research objectives to:

- 1) measure the gross economic impact of S4C's activities during the 2022/23 reporting year at the Wales and UK levels;
- 2) demonstrate the economic benefits (including financial) of S4C's activities at the local and Wales level;
- 3) identify how S4C has contributed to the Welsh language; and
- 4) determine, assess and showcase the social and wider impacts of S4C's 2022/23 activities and contribution to the local community and Wales economy.

Our Approach to the Assessment

The methodology for assessing economic and social value draws on the frameworks used by the Department for Culture, Media and Sport (DCMS) and the Arts Council England. The methods used in the economic impact assessment are standard for this type of assessment and have been informed by the principles set out in the HM Treasury's Green Book.

The overall assessment has been informed by:

- desk based review of S4C's 2022/23 activities focusing on key operational variables that drive economic and social benefits;
- internal data (income, employees, supply chain spend) held by S4C to input into the economic impact assessment – see Appendix D for detailed methodology;
- consultations with twenty-two internal and external strategic stakeholders as well as some of S4C's largest domestic prime suppliers (those receiving £1m or more in income;)- see Appendix C for consultee list;

- an online survey to S4C suppliers (those receiving less than £1m) – in total 67 suppliers responded; and
- twenty-two case studies to individually demonstrate S4C's wider economic and social contributions.

Coverage of the Report

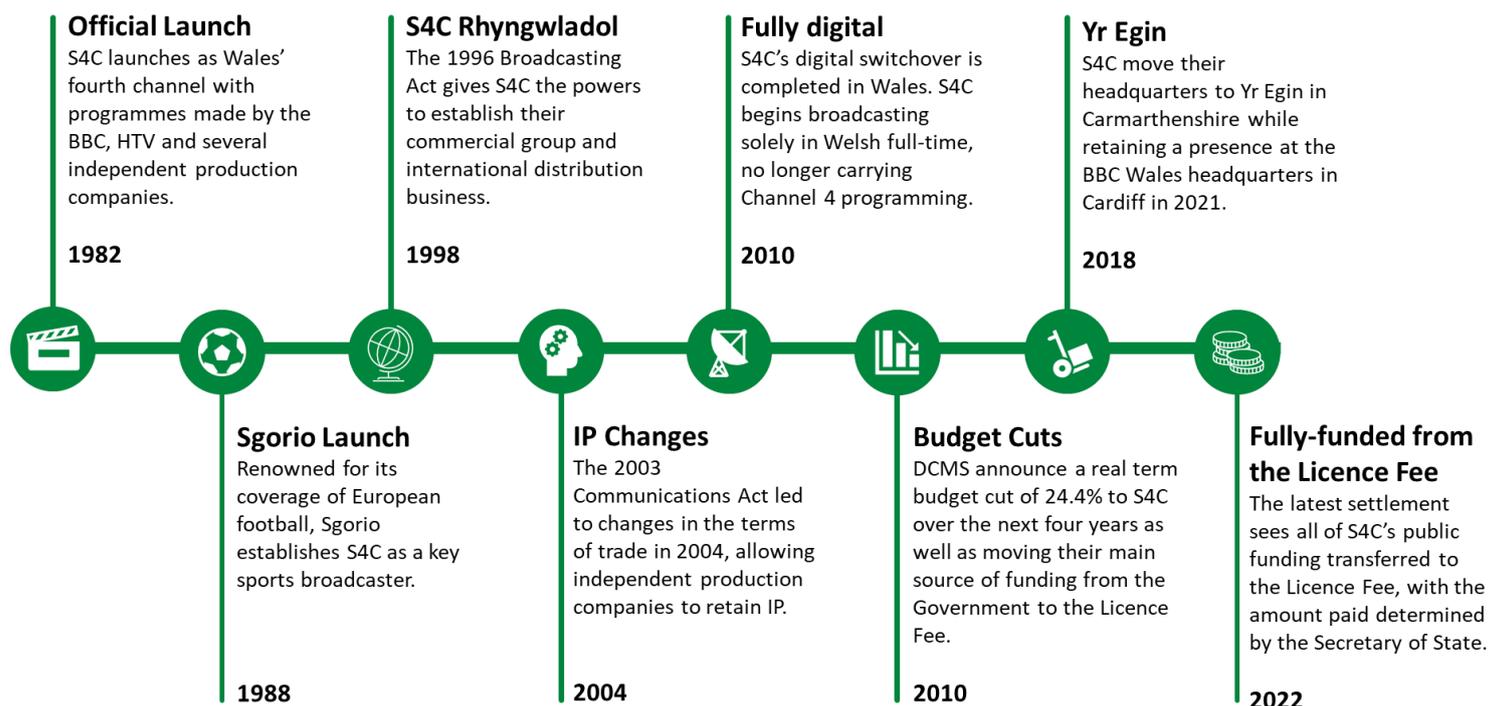
The report is split into the following sections:

- **Chapter 2** – an introduction to S4C, its activities and the past and present context it has and is operating in;
- **Chapter 3** – economic impact and value for money assessment based on an estimate of jobs supported and GVA created from S4C's 2022/23 activities;
- **Chapter 4** – exploration of S4C's wider economic footprint from supporting the sector and its supply chains to talent development;
- **Chapter 5** – assessment of S4C's contributions to the Welsh language;
- **Chapter 6** – examination of the wider social and environmental impacts of S4C's activities;
- **Appendix A** – glossary;
- **Appendix B** – list of references;
- **Appendix C** – stakeholder consultee summary; and
- **Appendix D** – approach to economic impact assessment.

2. S4C: The Institution

This chapter sets the stage for the report's findings by providing an overview of S4C's four-decade history, covering its growth and expansion of services. In the following sections, we delve into the specifics of S4C's contributions to the economy, Welsh language, local communities and the environment. This context enables us to present a well-rounded assessment of S4C's contributions.

From Past to Present: A Timeline



S4C was established in 1982 as the fourth British public service television channel in Wales following a groundswell of demand from the people of Wales, providing a dedicated Welsh-language broadcast television service. However, in the 21st century, S4C's outputs and impacts extend far beyond a single channel. As viewing habits and demand for content have changed, so have S4C's services. Viewers are now able to connect with S4C's content through S4C Clic, BBC iPlayer, streaming services and social media while continuing to have access to a wide variety of programming on television.

S4C's 2022/27 strategy¹, acknowledges the changing media landscape and responds by outlining its plan to evolve from a Public Service Broadcaster (PSB) to a Public Service Media Publisher (PSMP). This strategy aims to bring S4C's relevance on par with other large broadcasters like the BBC or Channel 4 and streaming services like Netflix by focussing their spend on multi-platform content to maximise value for money and audience reach.

¹ [S4C Strategy 2022/27](#)

In their 2022/23 reporting year, c80% of S4C's total budget was channelled into the creative sector by commissioning content from roughly 70 production partners and spending 98% of their content budget within Wales.²

Prior to the 2022/23 fiscal year, S4C experienced a flat core funding settlement for many years. As of April 2022, all of the broadcaster's public funding comes from the licence fee, with an additional £7.5 million included in the 2022-27 licence fee settlement to be spent on improving S4C's digital offering.

This new funding settlement has come at a time when S4C face a series of challenges to their ability to commission programming:

- **Cash-fixed budget:** the new funding settlement which came into force in April 2022 was fixed in cash terms for the first two years of the current licence fee settlement period, which means a shrinking budget in real terms when faced with national inflation rates above the Bank of England's two percent target.
- **Skills shortages:** the Covid-19 pandemic drove many workers out of the television production industry, leaving significant skills shortages leading to higher costs to recruit staff. The British Film Institute estimate that 20,000 additional full-time employees will be needed in the UK production sector to match demand.³
- **Rising demand:** the so-called 'streaming wars', driven by increased competition in the online streaming service platform has also driven up production costs. This has had a particular impact on the per-hour costs of producing high-quality dramas, a genre which S4C have experienced significant success with recently.

To ensure S4C obtain value for money for their audiences, the organisation continues to work with their partners in TAC (Teledwyr Annibynnol Cymru) and individual production companies.

Evolution in S4C Activities

S4C's audience reach in Wales is currently at its highest in five years, with an increase of 8% recorded in the last year alone. Furthermore, the contribution of 16-44 year olds to S4C's viewing hours is at its highest in a decade.⁴ In this context, S4C remains a key foundation of the Welsh media production sector as it transitions from a traditional media broadcaster to a public service media content provider.

From a public service perspective, this transition involves a greater focus on multi-platform content to maximise reach and value for money. Commercially, this involves investigating how current on-air brands can sustain and continue to add value and the co-production of bolder, larger scale drama as well as other formats that can capitalise on an international market.

² S4C, [Annual Report 2023-23](#), 2023

³ BFI, [Skills review published for film and high-end television](#), 2022

⁴ Broadcasters' Audience Research Board (BARB), 2022

S4C have sought to widen their reach in the past decade by developing strong brands to target specific audiences and enter partnerships to ensure its content is available on a wider array of platforms. S4C content is now accessible on a wide range of platforms like iPlayer, Clic, Youtube, Facebook and TikTok, including content packaged within brands designed to appeal to specific audiences like Hansh and Lŵp.

Wider Influence and Work

S4C's influence expands beyond commissioning entertainment content. Through its programming and partnerships, S4C plays a key role in supporting the Welsh language, strengthening Wales' media sector and amplifying the reach of Welsh culture. Some of the key partnerships include:

- **Developing educational content:** S4C, WJEC and the Welsh Government have cooperated to provide over 80 hours of programming for Hwb, the Welsh Government's education platform. Furthermore, S4C have a dedicated officer responsible for coordinating further education content and resources.
- **Supporting Welsh learners:** S4C's Welsh language strategy has solidified partnerships with organisations like The National Centre for Learning Welsh and the Welsh Government through their MOU relating to Cymraeg 2050. This has led to closer collaboration with experts when developing learner-focussed content. S4C have also improved their representation of learners through core programming like Pobol y Cwm and Iaith ar Daith.
- **Advancing professional development:** Through partnerships with key organisations like Teledwyr Annibynol Cymru (TAC) and Creative Wales, S4C supports the delivery of training and development activities in the Welsh media sector such as the Factual Fast-Track, It's My Shout and the NFTS script-writing courses. S4C funding has allowed TAC to deliver essential training in management, health and safety as well as create new training opportunities to address gaps in the current provision. Recently S4C have advocated for training that supports developing ideas into programme pitches to widen the diversity of creative input in Welsh language media.
- **Progressing diversity in Welsh media:** On screen, S4C have sponsored and broadcast Pride Cymru events, while programming like Drych: Fi, Rhyw ac Anabledd and Craith have improved the representation of disabled people in Welsh media. Off-screen, S4C have partnered with the Creative Diversity Network through Project Diamond to monitor workforce diversity to strive for a more representative media sector.
- **Amplifying Welsh Culture:** S4C play a crucial role in widening the reach of Welsh culture by broadcasting events like the National and Urdd Eisteddfods, the Royal Welsh Agricultural Show and the Urdd Urban Games.

S4C's Contribution to Society Policy Statement

S4C's new policy statement is centred around the social purpose to 'ensure that the Welsh language is an important part of everyone's life in Wales'. It comes at a time when S4C are aiming to capitalise on recent successes in increased viewership from younger people while the rate dropped for other public service media channels.⁵ This core purpose is supported by four pillars that complement S4C's 2022-27 Strategy and recognise S4C's current remit and contribution while aspiring to continue supporting creativity, economy and language in Wales. The four pillars are:



⁵ Broadcasters' Audiences Research Board, Age Profile of Public Services Media Channels during peak time in Wales, 2023

3. The Economic Impact of S4C in 2022/23

This chapter seeks to quantify the economic impact of S4C's activities for the 2022/23 fiscal year. Measuring S4C's economic impact extends beyond its role as a public service broadcaster.

Assessing Economic Impact

The organisation generates value directly through its broadcasting and indirectly through commissioning production companies to produce content. In addition, to support its day-to-day operations, S4C relies on goods and services supplied outside of the creative sector, from rent payments to event organisations to insurance purchases. This broader supply chain spending, along with employee salaries, all comprise S4C's economic footprint. Lastly, this report has sought to capture the tourism impacts generated by visitors to S4C's headquarters at Yr Egin, including programme studio audiences.



Source: Wavehill Analysis, 2023

When talking about economic impact, this study has estimated the effect of S4C's 2022/23 activities in terms of (see Appendix D for detailed assessment methodology and limitations).

- **Employment supported:** number of full time equivalent jobs required to deliver S4C's activities and meet its goods and services demand;⁶ and
- **Gross value added (GVA):** a measure of the value generated from the activities leading to the production of a good or service.

⁶ Where full time jobs count as 1 FTE and part time jobs as 0.5 FTE

S4C's Direct Value

Based on provided staff data, **the total size of S4C's workforce in 2022/23 was 119.5 FTEs** and all but 1.5 FTEs were based in Wales (the location and quality of the workforce is assessed below.)

To support its day-to-day operation, S4C relies on a substantial number of essential roles in commissioning, content management, digital, corporate and marketing roles. The broadcaster also employs researchers and journalists to produce material for their online news platform, Newyddion S4C.



Source: S4C, Annual Accounts 2022/23

Based on S4C's Annual Accounts, **the organisation generated £7.5m in GVA, representing its direct economic contribution (primarily through salaries) as a broadcaster, during the 2022/23 financial year.**

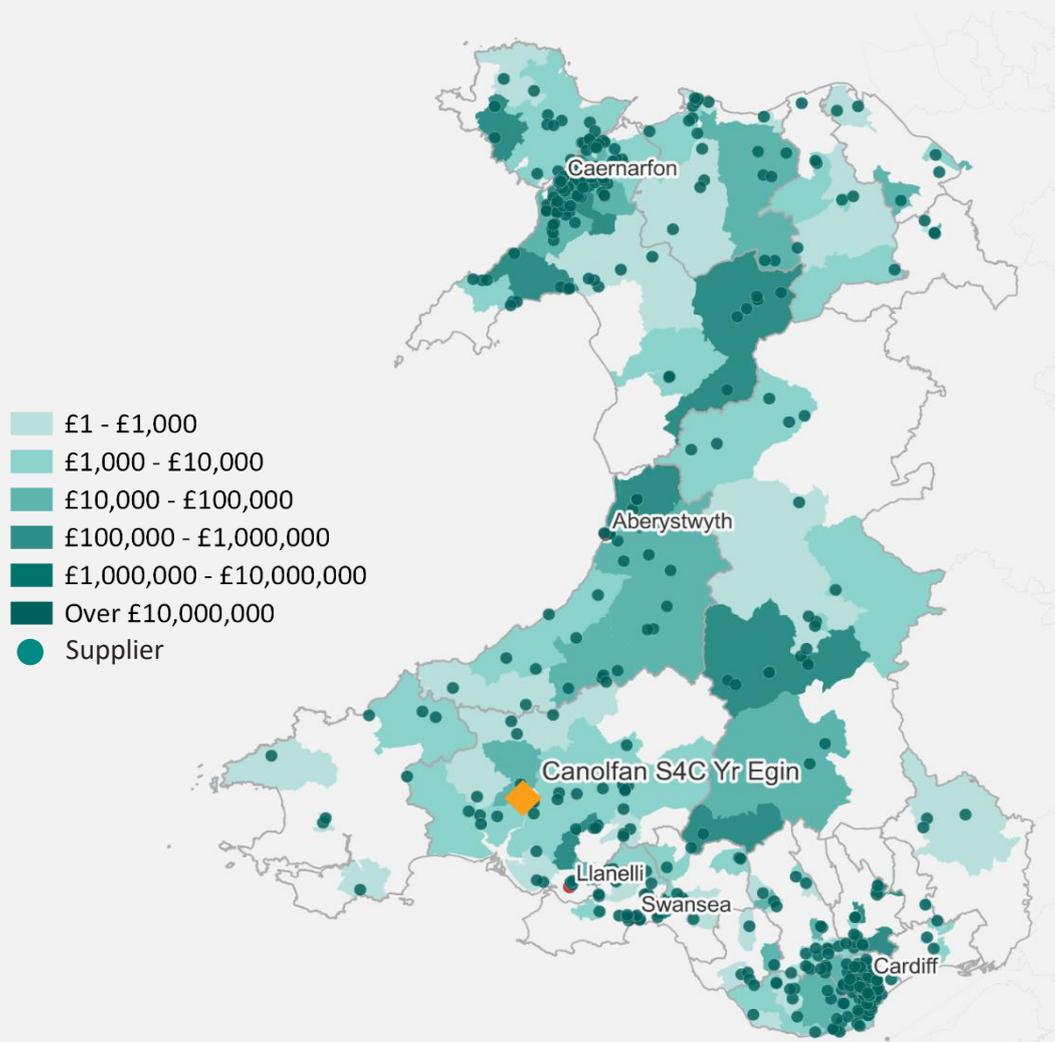
S4C's and its Supply Chain's Spend

Based on data shared by S4C, **the organisation spent over £104.5m on its suppliers (including freelancers) in the 2022/23 period:**

- **three out of every four pounds spent (£78.6m) on businesses with HQs located or individuals (i.e., self-employed and freelancers) based in Wales.**
- of the remaining £25.9m spent outside of Wales, 45% of purchased services and/or goods were from organisations that have an office and staff presence in Wales.

The map below illustrates that S4C's expenditure has a nationwide impact in Wales. **Of the £78.6m spent within the country, more than half (52%) or £41.0m went to businesses located outside of Cardiff.** The top three Welsh local authorities benefitting from S4C supplier spend were Cardiff (48% of spend in Wales only), Gwynedd (27%) and Carmarthenshire (16%). This distribution is consistent with the locations of S4C's three largest producers: Boom, Rondo, and Tinopolis.

Figure 3.1: S4C's supply chain spend by Middle Super Output Area⁷

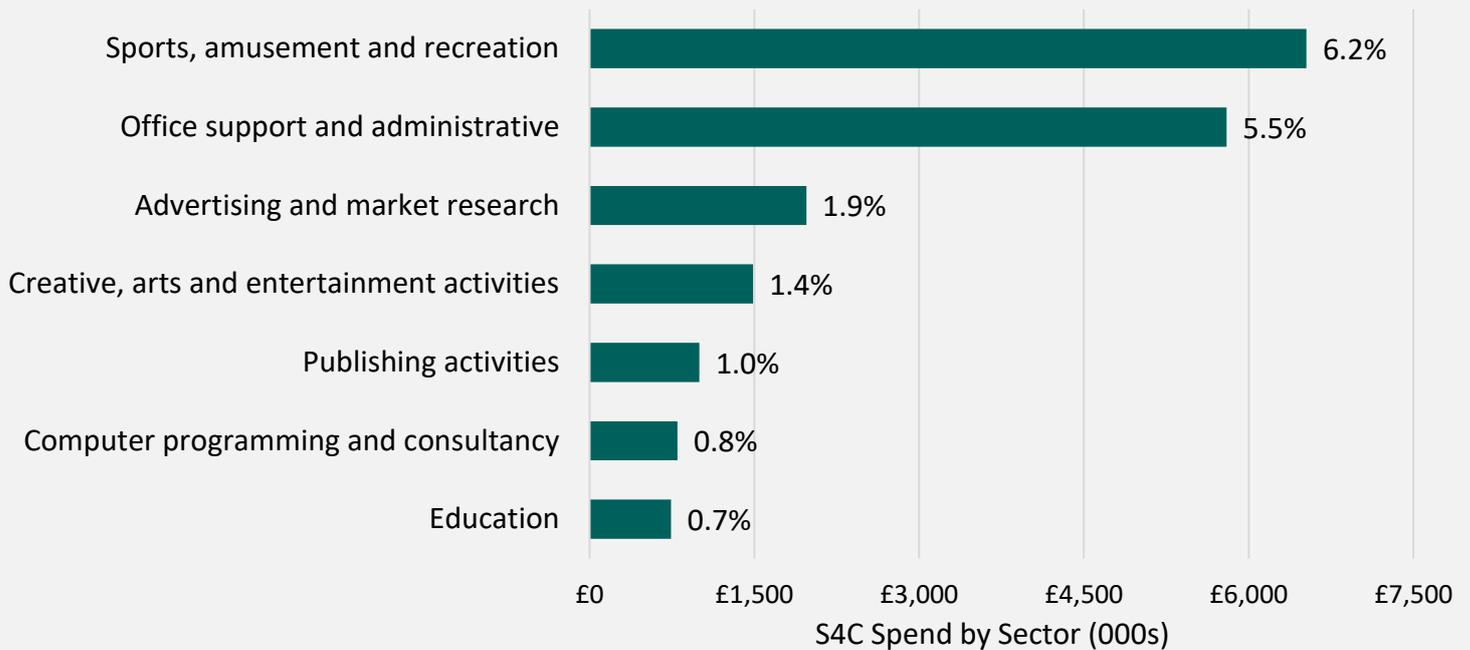


Source: Wavehill Analysis of S4C Expenditure Data

⁷ Middle Super Output Areas (MSOA) is a geographical area within local authorities defined by census statistics. They comprise between 2,000 and 6,000 households and have a usually resident population between 5,000 and 15,000 persons.

While expenditure in the film, TV, video, radio, and music sub-sector⁸ constituted 80% of S4C’s total spending, **the broadcaster engaged with 977 suppliers across 47 distinct sectors in 2022/23.**⁹ This demonstrates that S4C’s economic influence and impact extends beyond its industry, illustrating its sectoral diversity. The graph below demonstrates this wider supply chain and charts S4C’s proportionate supplier spend by sector outside of the ‘Film, TV, Video, Radio, and Music’ sub-sector.

Figure 3.2: S4C’s supply chain spend by sector excluding the Film, TV, Video, Radio, and Music sub-sector



Source: Wavehill Analysis of S4C Expenditure Data

S4C’s suppliers in turn rely on their supply chain and freelancers to deliver the goods and services the broadcaster purchases – also known as the multiplier effect. This influx and flow of expenditure means the supply chain must recruit and sustain a certain size of workforce to meet this output demand which therefore stimulates economic activity. It is estimated this supply chain effect in 2022/23 **supported 1,400 FTE jobs and £99.8m in GVA within Wales alone. At the UK level, this rises to 1,750 FTE jobs and £117.6m in GVA.**

Notably, **94% and 85% of the employment and GVA impacts respectively are retained within Wales**, underscoring S4C’s significance as both a national asset— as described by several stakeholders—and an anchor institution within the Welsh economy.

⁸ SIC Codes 59 and 60

⁹ As defined by ONS 2 digit SIC code.

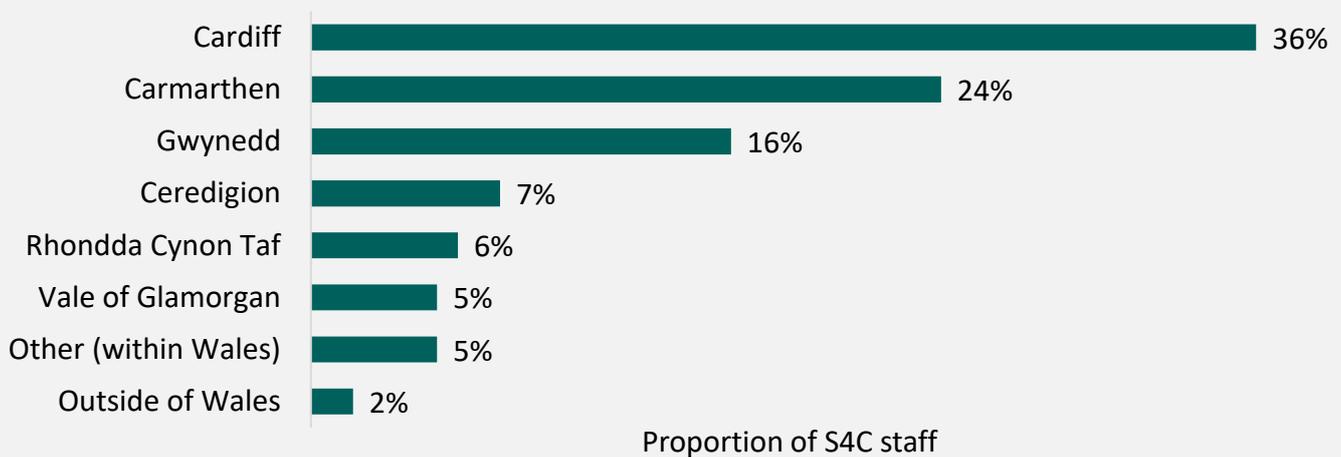
The Effect of Salaries

Beyond capturing the employment supported by S4C and its supply chains, including freelancers, the economic impact assessment also accounts for the effect of how the salaries from these jobs are spent in the broader economy. Disposable income is spent in the economy on food, clothes and entertainment which induces additional economic activity. **It is estimated that these induced effects supported £28.4m in GVA and 400 FTE jobs in Wales, and £32.1m in GVA and 450 FTE jobs across the UK in the 2022/23 period.**

S4C creates good-quality, skilled and well compensated jobs. On average, S4C employees earn above the average Welsh and UK annual salary levels.¹⁰ S4C employee earnings are above the industry norm for the broadcasting sector within Wales (+10%) but marginally lower than the UK average (-2%).¹¹ Within S4C, employees residing in Cardiff earn, on average, 9% more than their counterparts living in other parts of Wales. However, this regional wage disparity is two percentage points smaller than the overall average wage disparity between Cardiff and the rest of Wales, demonstrating S4C's efforts to support regional development.¹²

As the figure below shows, S4C staff are also well distributed across Wales, especially following the relocation of S4C's headquarters to Yr Egin in Carmarthen. Average earnings in many of these local authorities (namely Carmarthenshire, Ceredigion and Gwynedd) are below the Welsh average, which highlights S4C's role as a provider of high-quality employment in these areas.

Figure 3.3: Distribution of S4C staff by Local Authority



Source: Wavehill Analysis of S4C staff data

¹⁰ ONS, [Annual survey of hours and earnings, 2022](#)

¹¹ ONS, [Earnings and hours worked by industry, 2022](#)

¹² StatsWales, Average (median) gross weekly earnings by Welsh local areas and year (£) – average of local authorities was used as comparison

The Impact of Visitors

In 2018, S4C relocated from its headquarters in Cardiff to the University of Wales Trinity Saint David's Yr Egin creative and digital centre in Carmarthen. This strategic relocation served multiple purposes: it brought the broadcaster geographically closer to its diverse Welsh audience, stimulated economic growth in the region, and expanded employment and training opportunities beyond the Cardiff area. Additionally, the move further enabled S4C to deliver high-quality broadcasting content while maintaining good value for money.

S4C attracts visitors to the centre and on-site programme studio, including students, clients, partners, and those involved in the filming of "Jonathan". These visitors go on to spend in the local economy on food, accommodation, and other services. For the fiscal year 2022/23, it is estimated that this visitor activity generated 1 FTE job and contributed £25,000 in GVA to the Welsh economy.

As explored qualitatively in Chapter 4, S4C's content and recent international successes have the potential to boost tourism and attract more visitors to Wales, both domestically and internationally. While the exact quantitative impact of this is yet to be determined due to limited data, it is reasonable to expect that S4C's influence on visitor numbers and spending is likely greater than currently measured.

Total Economic Impact of S4C's Activities in 2022/23

As a shaping force in Welsh culture and a vital contributor to the UK's creative industries, S4C has a far-reaching economic footprint that extends across various sectors and geographical boundaries. Through its daily operations, commissioning, production and broadcasting activities, and strategic investments, as well as its role as an institutional employer, S4C serves as a key driver of economic activity.

In total, it is estimated S4C's activities in 2022/23 supported 1,900 FTE jobs and £135.8m in GVA in Wales rising to 2,300 and £157.4 respectively across the UK. This implies that:

- **for every direct S4C job a further 15 and 18 FTE jobs were supported in Wales and the UK respectively;**¹³
- **just over 1 in every 7.6 jobs in Wales' 'Film, TV, Video, Radio, and Music' sub-sector is supported by S4C; and**¹⁴
- **S4C's total GVA contribution of £135.9m to the Welsh economy is equivalent to 42% of Wales' 'Film, TV, Video, Radio, and Music' sub-sector and 0.2% of Wales' total GVA in 2022.**^{15,16}

¹³ Total FTE jobs supported by S4C's 2022/23 activities (minus Direct S4C FTE jobs) as a share of Direct S4C FTEs

¹⁴ Total FTE jobs supported by S4C's 2022/23 activities as a proportion of total jobs in the 'Film, TV, Video, Radio, and Music' sub-sector in Wales (ONS, BRES)

¹⁵ StatsWales, [Economic Output – Gross Value Added, 2023](#)

¹⁶ StatsWales, [Gross Value Added in Wales by industry, 2023](#)

	Wales		UK	
	GVA (£m)	FTE Jobs	GVA (£m)	FTE Jobs
S4C's Direct Value	£7.4	118	£7.5	120
S4C's and Supply Chain Expenditure	£99.8	1,400	£117.5	1,750
Effect of Salaries	£28.4	400	£32.1	450
Tourism	£0.02	1	£0.02	1
Total	£135.6	1,900	£157.2	2,300

Note: figures have been rounded and as such may not sum to the total values presented in the above table.

Return on Investment

S4C prioritises spending a high percentage of its public income on quality content comparable to other UK networks while maintaining low overheads. The organisation has achieved significant cost savings through staff, estate, and technological rationalisation (including co-locating technical services with BBC Wales) and relocating its headquarters.

Furthermore, S4C collaborates with producers and partners to ensure cost-efficient content production when agreeing on the cost of producing each hour of content. Some examples in the last year include digitisation workflows as part of broadcasting the Urdd Eisteddfod (an annual festival held by the national youth organisation), increasing digital output for Tafwyl (annual Welsh language festival) and working with multiple production companies to co-produce series (both Cwmni Da and Chwarel collaborated to produce Goglebocs Cymru).

Despite the rising global costs of program production, **S4C is one of the most cost-efficient PSBs in the UK with a cost per hour significantly lower than other broadcasters**, commissioning at a fraction (typically 25 – 33%) of similar genre rates applied by other public service broadcasters.¹⁷

Not only is S4C cost-efficient but provides value for money when looking at the jobs it supports and GVA the organisation generates. **Based on S4C's income from the license fee, totalling £88.9m in 2022/23, the organisation generated £1.53 in GVA in Wales for every one pound of licence fee received, rising to £1.77 for the UK.**

Regional and Local Economic Impact

The Welsh and UK Governments have set out ambitions to grow areas outside of Cardiff with their Mid and North Wales growth deals and the Swansea Bay City Deal. One aim of these growth deals is to build on strengths, to boost productivity while tackling long-term challenges and economic barriers to deliver inclusive growth.

¹⁷ S4C 2022/23 Annual Report and Accounts

As demonstrated above, S4C has taken active steps to help drive this agenda including relocating from Cardiff to Carmarthen and with over half of its supply chain spend in Wales being outside of Cardiff. When asked about particular contributions to Wales' economy made by S4C, several production companies emphasised S4C's Wales-wide focus.

“It feels like S4C has more of a Wales-wide focus, they actively encourage companies to establish themselves in places like Caernarfon, Llanelli and Carmarthen. I think without S4C we would have a production sector that was only focussed within Cardiff.” **(Production Company)**

The strategic choices made by S4C have resulted in a more geographically diverse distribution of economic activity and impact. The majority of S4C's total impact is attributed to its suppliers and supply chain, accounting for 76% of the supported FTE jobs and 75% of GVA generated. The following two maps illustrate the geographic distribution of this expenditure impact. In total, £56.1 million in GVA and 400 Full-Time Equivalent (FTE) jobs were generated outside of Cardiff.

Figure 3.4: Jobs supported by direct suppliers to S4C by Local Authority

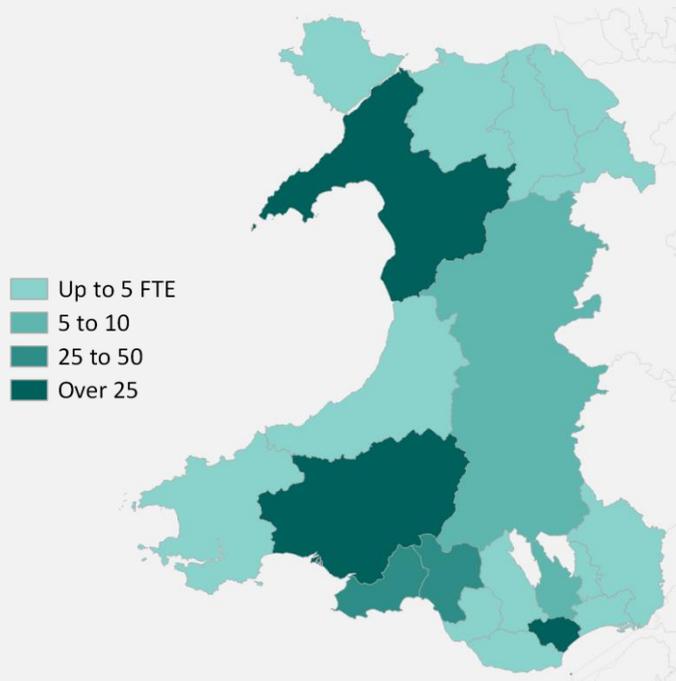
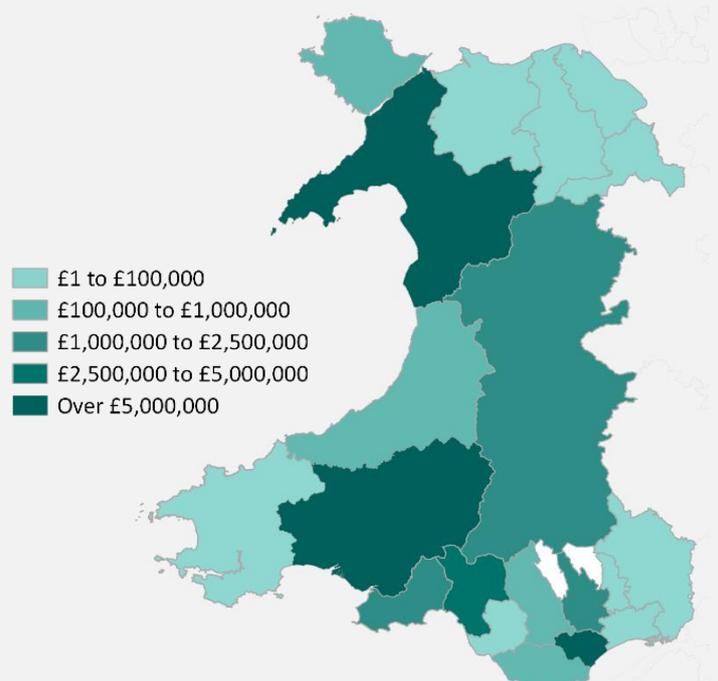


Figure 3.5: GVA generated by direct suppliers to S4C by Local Authority



Source: Wavehill Analysis, 2022/23

Regional Development: Influence in Carmarthenshire

Following four years of planning and construction, S4C officially opened their new headquarters at Yr Egin in Carmarthen in 2018. From its Yr Egin base, S4C has generated £7.4m in GVA in Carmarthenshire for the Wales economy through its day to day activities.

Yr Egin, located in the heart of the campus of the University of Wales Trinity Saint Davids, has allowed S4C to move closer to its audiences throughout the entirety of Wales. A third of S4C's workforce are now based in Carmarthenshire and its neighbouring local authorities – with working at Yr Egin. Spending activity of S4C employees based in Carmarthenshire has generated a total of £730,000 in GVA and has supported over 10 FTE jobs.

S4C acts as an anchor institution for the centre, joined now by over 15 businesses in a building that boasts an auditorium, editing suites and a performing area. Yr Egin enables greater collaboration, connections and idea sharing within Wales' digital and creative industries. In 2022/23, S4C directed 12.1% of its supply chain spend (roughly £12.7m) to businesses based in Carmarthenshire. This direct spend generated just over £8.1m in GVA and supported just over 100 FTE jobs in the local authority.

S4C also attracts visitors from clients to partners to filming crew, staff and audience to Yr Egin and Carmarthenshire. In 2022/23, it was estimated there were just 1,000 day visitors to the centre which generated an additional £25,000 in GVA and supported one additional FTE job.

In total, S4C has directly contributed £16.2m GVA and supported 193.5 FTE jobs in Carmarthenshire

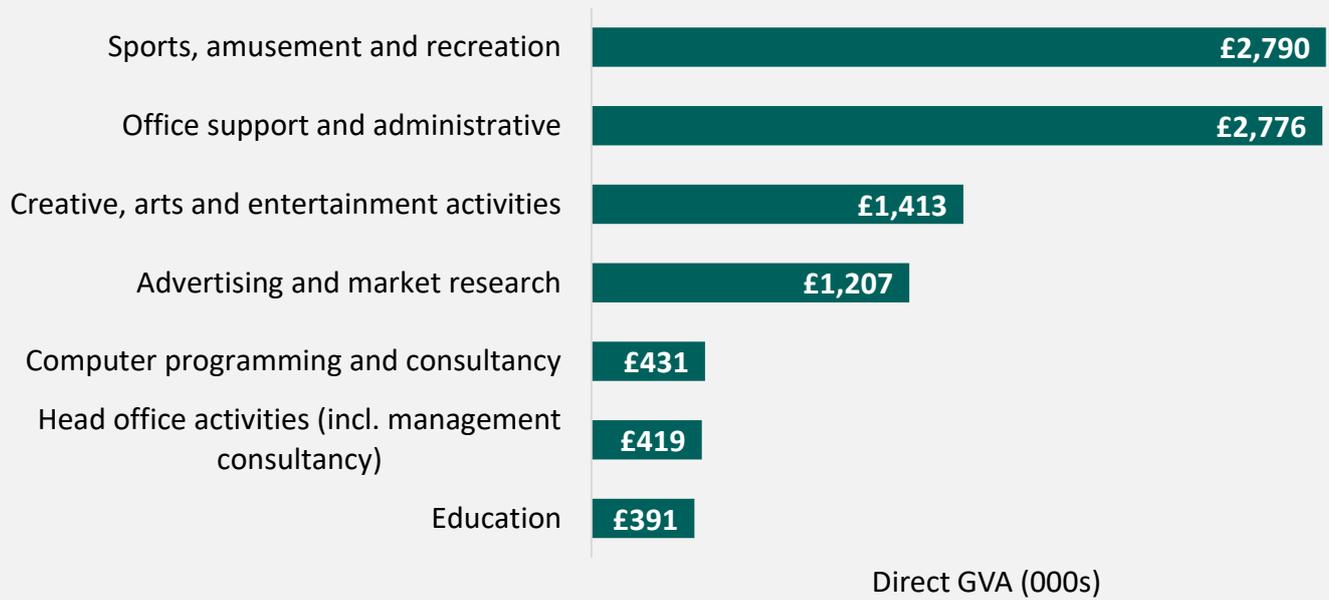
Sectoral Economic Impact

As a broadcaster that does not create the majority of its own content, it is unsurprising that the majority of S4C's expenditure is spent in the 'Film, TV, Radio, and Music' sub-sector. This accounts for 67% of FTE jobs supported and 83% of GVA generated in the UK.

However, the economic impact of S4C's spending is not confined to this sub-sector alone. Importantly, this impact is far from insignificant. In all other sub-sectors combined, S4C's expenditure contributes to an additional 327 Full-Time Equivalent (FTE) jobs and £10.8 million in GVA.

“We indirectly support lots of businesses, especially when we're filming on location. We use local hotels, caterers, and facilities, we support transport companies, and we support location owners like the National Trust, Cadw or local farmers.” **(Production Company)**

Figure 3.6: GVA generated by S4C's expenditure in each sector in the UK



Source: Wavehill Analysis of S4C expenditure data

4. The Economic Footprint of S4C

While the previous chapter sought to quantify S4C's economic contributions, the organisation also has a substantial intangible influence on the economy. This chapter explores S4C's wider economic footprint in supporting the economy, encompassing cluster development and its capacity to attract broader inward investment.

Findings presented below have been informed by a literature review on the diverse influences of television and broadcasting, supported by statistical data where available, informed by real-world perspectives from strategic stakeholders, and illustrated with individualised case studies.

Sector and Supply Chain Development

The creative industry in the UK is of significant importance to the overall economy, particularly because of its high-growth status and potential but also its resilience (House of Lords, 2022). The creative industries sector contributed £109bn to the UK economy in 2021, equivalent to 5.6% of the UK economy that year. In Wales, as of 2021, the creative sectors comprised 3,423 businesses, marking a 6.4% growth compared to 2018. These sectors employed 35,400 individuals and generated an annual turnover of £1.7 billion in 2021, reflecting a 14% increase from the figures recorded in 2017 (Creative Wales, 2022).

Aside from its direct economic impact contributions, S4C aligns and responds to the DCMS Single Departmental Plan of 2019 in promoting economic growth, employment, and regeneration; expanding global reach and exports; and supporting skill development and training initiatives.

Supporting Creative Industries and Wider Sector Growth

As one stakeholder noted, since its inception, S4C has been very important to the Wales economy but critical in driving the evolution and growth of the TV, film and creative sectors. The creative industries play a pivotal role in fuelling economic growth in the UK (Lee, 2014). These diverse sectors, spanning from film and fashion to digital media, have not only contributed substantially to the country's GDP and employment but have also fostered the development of vibrant creative hubs.

In the 2022/23 fiscal year, S4C partnered with 70 production companies and allocated nearly 80% of its budget to commissioning content, of which over 98% was produced in Wales. This investment has a ripple effect on economic activity across various sectors in Wales. Stakeholders were keen to emphasise that S4C's influence extends beyond its financial spending as it plays a pivotal role in:

- **Fostering Start-ups:** Stakeholders often asserted that the existence and success of many companies linked to the creative sector are directly attributable to S4C's support. S4C provides emerging and small independent companies with their initial market opportunities, contributing to their establishment and success in the creative sector.
- **Enhancing Resilience and Reputation:** Companies that collaborate with S4C often gain the credibility needed to secure commissions from other networks, including international ones, and attract capital investment.
- **Encouraging Investment and Innovation:** S4C's approach of offering long-term contracts motivates production companies to invest in their projects and explore new ideas and technologies.
- **Stimulating Local Economy:** By prioritizing local suppliers and content, S4C not only boosts local businesses but also contributes to creating a self-sustaining economic ecosystem within Wales. S4C demonstrates to individuals that they can work in the local media sector – their shows *Pren ar y Bryn* (Fiction Factory) and *Bariau* (see Case Study in Chapter 6 below) hire people in the local community to work on production.

Cluster and Regional Development

S4C's presence, strategic investments and broadcasting activities can stimulate the development of clusters around media production, leading to enhanced regional economic development. Anchor institutions are a key influencing component and can be a catalyst for cluster development (Ferreira, M. P. et al., 2012), regional development and economic inclusion (Schildt, C., & Rubin, V., 2015) including within the creative industry (Turok, I., 2003). Broadcasters can also promote cultural 'resilience' within local communities and revitalising rural areas (Roberts & Townsend, 2015).

Consultations with stakeholders highlighted that S4C's relocation to Carmarthenshire and its investment in Anglesey (Aria Studios) have catalysed the increase in creative businesses and early formations of clusters outside of Cardiff. These initiatives were said to have instilled confidence in companies to establish themselves outside of the capital of Wales. Carlam and Lens360 are two such companies that based themselves at Yr Egin due to S4C's presence.

Local Cluster Development Case Study: Aria Studios

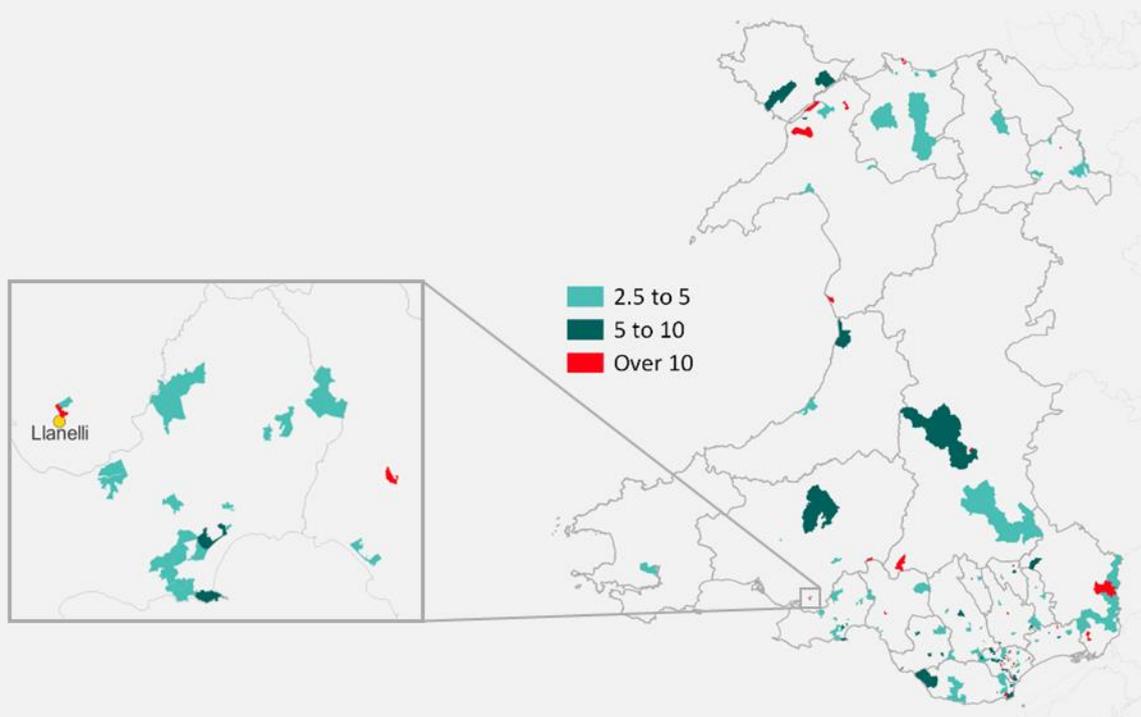
Aria Film Studios is located near Llangefni and officially opened its doors in October 2022. Aria boasts two expansive studio stages encompassing a combined 20,000 square feet of soundproofed filming space.

In addition to these facilities, Aria offers an array of supplementary services, including production offices, dedicated workshop areas for set construction and storage, and comprehensive location scouting services, all designed to leverage the impressive landscapes of North Wales.

This brand new space owes its existence to a collaborative investment effort involving Rondo, Creative Wales, and S4C Masnachol. It plays a pivotal role in bolstering the independent media sector in North West Wales, catering to both local and international productions. As a hub for nurturing talent and skill development, Aria Film Studios is poised to generate sustained, high-quality employment opportunities within the local community including Bariau (see Case Study in Chapter 6 below).

The location quotient map below illustrates the concentration of the 'Film, TV, Radio, and Music' sub-sector within Wales. A Location Quotient (LQ) greater than one serves as an indicator of regional specialisation or clustering in that particular industry.¹⁸ The greatest concentration of activity is seen in Cardiff, Caernarfon, Llanelli— which is also where most of S4C's direct suppliers are based.

Figure 4.1: Employment based Location Quotient for the 'Film, TV, Radio, and Music' sub-sector by MSOA



Source: Wavehill Analysis using ONS BRES (2023)

Promotion of Local Arts and Communities

S4C's coverage of local arts events (e.g. Lleisiau Eraill Aberteifi/ Other Voices Cardigan), performances (Lŵp), and even grassroots football can preserve and promote local culture (Diana A. S. et al, 2020; D.L.Y. Lopulalan et al, 2022), and contribute to local communities' growth and resilience (Roberts & Townsend, 2015).

¹⁸ The Location Quotient (LQ) is a measure used to quantify how concentrated a particular sector is in a region compared to a larger reference area (Great Britain). It is calculated by comparing the industry's share of regional employment to the industry's share of national employment.

The quality of S4C's locally sourced content has seen it "compete with the best in the world of broadcasting" and garner international recognition.¹⁹ In the last year alone, S4C and their production partners have brought accolades back to Wales through major awards – a Broadcast Award for Drych: Fi, Rhyw ac Anabledd (Wildflame); and a New Voice Award for the Hansh Tisio Fforc? series (Afanti).

Amplifying Musical Talent Case Study: Lŵp

Lŵp is an S4C brand dedicated to showcasing emerging Welsh music talent and contemporary culture. Through programmes like Curadur and Ar Dâp, and coverage of live music events, Lŵp has been able to promote, market and amplify the reach of bands in the Welsh music scene. Additionally, Lŵp produces music videos for Welsh bands and artists like Sachasom, Parisa Fouladi, Y Cledrau, HMS Morris and Sage Todz, whose video for the drill track 'Rownd a Rownd' garnered over sixty-thousand views.

Lŵp not only provides a platform for Welsh musical talent but nurtures them by allowing newer companies, directors and staff to gain experience working on creatively diverse and shorter term projects. Relatively newer businesses like the Cardiff-based production company, Orchard, have been able to develop and upskill directing staff through their work on Lŵp's music videos and Curadur.

Inward Investment and Exports

S4C's economic footprint and influence extend beyond the borders of, and to the benefit of Wales. Television can be used as a medium to showcase the country's culture, heritage, and way of life, which can influence how the world sees the country and drive cultural exports (Creative Industries 2023, Creative Industries 2022).

The broadcaster's contribution to the thriving Welsh media industry has been instrumental in attracting both domestic and international investment in related sectors. Furthermore, S4C's content, which enjoys international distribution, serves as a showcase for Welsh media and creative products, thereby opening doors for enhanced export opportunities.

Technological advancements have also played a role in expanding S4C's reach. The S4C Clic app, redesigned to coincide with S4C's anniversary, is now available on a wide array of platforms including iOS, YouView, Freeview Play, and Amazon Fire Stick. The app's availability on an increasing number of Smart TVs is a testament to S4C's growing prominence in the multi-platform world.

S4C's content has also made significant and unprecedented strides in international markets. Notably, Netflix purchased the rights to the Welsh drama adaptation of "Dal y Mellt," marking it as the first Welsh-language drama on the platform. Additionally, "Y Golau," a co-production with Channel 4, received international acclaim and was the most-watched drama on Channel 4 during its airing period. Works like Yr Amgueddfa and Gwledd have also been distributed internationally, demonstrating that S4C's storytelling, rooted in Welsh

¹⁹ [Hansh Wins Aware at New Voice Awards Press release](#)

culture, has a universal appeal that captivates audiences globally. Most recently, S4C has partnered with Fubo and Ryan Reynolds' Maximum Effort to launch Welsh Wednesdays – to provide more S4C Welsh content to America.

Exporting Content Case Study: Am Dro!

Produced by Cardiff Productions, Am Dro! sees four lovers of the countryside battle it out to have their favourite Welsh walking trail placed in the S4C Walk of Fame. The programme is a showcase of Wales' beautiful landscapes by the people who know and love these areas the most. Not only has the programme highlighted excellent tourist destinations across Wales, but the format itself has been sold outside of Wales.

Since its launch, the Am Dro format has been sold to six countries across Europe, including England in the form of 'Take a Hike' broadcasted on BBC Two. Cardiff Productions now produce both Am Dro and Take a Hike, demonstrating S4C's role in widening the reach of Welsh programming and attracting more opportunities for the Welsh media production sector.

Sector Advocacy and Lobbying

S4C stands as a leading institution with a significant voice in the creative and digital sector. Leveraging its unique relationships with both the Welsh and UK Governments, S4C serves as an advocate for the sector. The organisation's growing influence enables it to actively engage in promoting the Welsh creative sector, emphasise the importance of Welsh media and advocate for improved workforce conditions, among other initiatives.

Influencing Policy Case Study: Coalition for Change

Founded in 2020 by freelance TV producer Adeel Amini, the Coalition for Change advocates for better working conditions for freelance workers in the British TV and film sector. Built on the ethos that the best creative content will be made by an industry that puts its people first, the Coalition gathers to discuss and resolve a wide range of issues that impact the workforce. The Coalition has previously addressed issues relating to recruitment practices, health and safety, workplace culture, race and diversity, bullying and harassment, training and progression, mental health and wellbeing.

In 2022, S4C officially joined the Coalition for Change, at the same time as ITV. S4C's Chief Content Officer noted at the time that they were particularly keen to look at ways to reduce the uncertainty in the work patterns of freelance workers. S4C supports a significant number of freelance workers through the work that they commission and strives to improve their working conditions by adopting the Coalition's Freelance Charter²⁰. The Charter sets out guidance around aspects like recruitment, workplace culture, bullying, working hours and training.

²⁰ Coalition for Change, [The Freelance Charter](#), 2021

In addition, S4C's insights and expertise are invaluable in shaping media regulations that are attuned to the rapidly evolving landscape of the sector. In collaboration with DCMS, S4C is actively involved in shaping future media policies. The organisation is keenly focused on the proposed Media Bill, which aims to modernise S4C's public service remit to include digital and online services, provide greater freedom for commercial revenue generation, and institute governance changes.

Championing Talent and Developing Skills

The Creative Skills Action Plan (2022-2025) recognises the significance of the creative sector in Wales, not only for job creation and economic growth but also for its cultural importance and contribution to the national identity. This plan aims to address short-term skills needs in priority sectors like music, digital content, and screen, while also considering long-term strategies to maintain Wales as a thriving creative hub. Given S4C's role as the primary television content provider in Wales, it is well-positioned to champion talent and skill development within the Welsh creative sector.

Workforce Development

As a broadcaster that does not produce the majority of their content, S4C's commissioning approach has empowered its content partners to invest in staff skill development. Stakeholders consulted highlighted the broadcaster's approach creates opportunities for new businesses and freelancers to build their capacity, experience, and skills, enabling them to flourish both domestically and internationally. This has been exemplified by the success stories of various entities that have gone on to achieve greater heights such as Seren Studios and Severn Screen.

Workforce Development Case Study: TAC

Teledwyr Annibynnol Cymru (TAC) are the representative body for the independent Welsh media production sector. In this capacity, one of their roles is to offer professional development for its members. As one of the chief content commissioners in Wales, S4C plays a key role in steering the direction of their training offer by funding TAC to offer specific training opportunities.

Through the TAC-S4C training partnership established in 2019, TAC has organised 100 courses for over 1,400 attendees. Training varies from health and safety and management to more specific skills gaps that S4C may have identified in line with their strategic objectives. Recently S4C have funded TAC to offer training for individuals to develop their script ideas into formal pitches.

During 2022, the training partnership delivered 17 courses, which 265 individuals registered to attend. For the 2023 calendar year to early September, 18 courses were held with 195 registered to attend.

Most recently, S4C has joined the Screenskills Unscripted TV Fund which aims to strengthen the UK's creative sector with new talent and skills alongside other major broadcasters and streamers like the BBC, Channel 4, and Netflix.

In addition, S4C conducts comprehensive training and development initiatives aimed at expanding opportunities for individuals from under-represented backgrounds and enhancing workforce diversity. These efforts are carried out in collaboration with partners such as It's My Shout, Screen Alliance Wales, Careers Wales, RAD Cymru Wales, and ITV Wales (Hansh Dim Sbin), as explored in Chapter 6.

These initiatives not only maintain a highly skilled workforce but also make Wales an attractive destination for global TV and film production.

Entrepreneurship, Apprenticeships and Internships

S4C serves as a connector, facilitating strategic partnerships between funders, training providers, and employers to support apprenticeship programs. This engagement with production companies, media organisations, and sector bodies has led to the creation of apprenticeships and internships that provide invaluable on-the-job training and industry exposure.

Broadcasters are essential partners in the promotion of apprenticeships, as they offer invaluable opportunities for aspiring media professionals to gain practical experience (Smith, 2020). Through apprenticeships individuals can learn the ropes of the industry, acquire essential skills, and access a direct pathway to careers in broadcasting, thereby contributing to the industry's talent pool and sustainability.

Apprenticeship Scheme Case Study: CRIW Scheme

Working in partnership with Sgil Cymru, S4C jointly invested with Creative Wales in the CRIW Scheme. CRIW is a 12-month apprenticeship programme offering young people paid experience to work behind the scenes on major television and film productions. The long term aim of the scheme is to train individuals and develop their experience for a career in the sector. The scheme has offered opportunities for people in north and south Wales to work on productions like Craith, Y Golau and War of the Worlds. A new wave of four apprentices were welcomed into the scheme in north Wales in August 2023.

Talent and Workforce Mobility

S4C serves as a pivotal institution for both preserving and promoting the Welsh language and culture and fostering economic development through talent attraction and retention. The broadcaster plays a crucial role in building a robust creative sector in Wales, thereby creating a viable employment landscape for Welsh-speaking creatives and professionals. Stakeholders have highlighted several benefits of S4C's influence, including:

- establishing Wales as a viable hub for opportunities and career development, particularly within the film and creative industry;
- attracting a diverse range of talent through its commissioning activities, thereby enriching the Welsh workforce;

- offering employment opportunities in areas with high proportions of Welsh speakers, including economically disadvantaged regions in rural north and west Wales; and
- preventing brain drain or skills leakage from local communities and Wales at large.

Fostering Local Talent Case Study: Pren ar y Bryn

Pren ar y Bryn is a new dark comedy series, filmed back-to-back in Welsh and English about a couple in the Welsh hinterland that find themselves at the centre of a mystery on the wrong side of the law. The series is a Fiction Factory co-production with S4C, BBC Wales and All3Media.

Filming and production of the six part series has been primarily based in Ystradgynlais, where the programme's writer and creator, Ed Thomas, grew up. Situating most of the production in Ystradgynlais brought significant advantages to both the series and the local area. This area of Wales has received very little media exposure, which provides Pren ar y Bryn with a unique visual backdrop and perspective on Welsh culture.

In addition, filming in the area has benefited several supporting industries and businesses in the community including those supplying accommodation, food and transportation. The production company estimates that 90% of the series' spend was within Wales, spread across Cardiff and Ystradgynlais. The production also employed trainees to work across a variety of roles and offered starter trainee roles for locals working on set construction.

Tourism and Promotion

Cultural tourism is an important part of the Welsh economy and is supported by the Welsh Government (Visit Wales, 2023). Prior to the pandemic, the Welsh tourism sector was estimated to directly contribute £2.4 billion to Wales' GDP (about 5% of the total) and provided an estimated 161,000 jobs (12.1% of all employment in Wales) (Welsh Government, 2022). However, Wales underperforms in attracting international visitors in comparison to the rest of the UK due to a number of reasons, including the Welsh brand having a low profile overseas as a holiday destination (Welsh Affairs Committee, 2023).

The Welsh Government has developed a number of initiatives to promote cultural tourism in Wales, including the development of cultural routes and trails, the creation of cultural events and festivals, and the provision of funding for cultural organisations and projects (Visit Wales, 2023).

S4C is well placed to contribute to the diversity of cultural activities here in Wales with its coverage of festivals and cultural events (such as the Eisteddfod) and promotion of Wales as a destination for tourism worldwide. As a medium that celebrates Welsh culture, language, and heritage, S4C showcases the natural beauty and cultural richness of the country. Through programmes highlighting Wales's stunning landscapes (Am Dro!), historic landmarks, festivals, and local traditions, S4C can entice both domestic and international audiences to visit Wales.

International Exposure Case Study: Cyngerdd Cymru i'r Byd

Presented by Ioan Gruffudd, the Cymru i'r Byd (Wales to the World) concert was a unique showcase of Welsh culture on the international scene, with performances from some of Wales' most renowned musicians such as Bryn Terfel, Mared Williams, LEMFRECK, Sywel Nyw and Dionne Bennet.

From the heart of New York, the concert allowed S4C to demonstrate the enduring connections between Wales and the USA, aligning with the celebrations leading up to Wales' opening match at the 2022 FIFA World Cup. Furthermore, the event paid tribute to the noteworthy contributions of Rob McElhenny and Ryan Reynolds, who have played a significant role in elevating Wales' international profile through their acquisition of Wrexham AFC.

The event was a key component of a suite of Welsh Government sponsored activities which saw S4C, the FAW and other broadcasters and cultural organisations unify for the 'Wales to the World' campaign. The campaign proceeded to win in both the Grand Prix and the Travel and Tourism categories at the 2023 World Media Awards.

Public Sector Benefits

As discussed, S4C plays a critical role in facilitating the growth of the Welsh creative sector and its associated supply chains. By nurturing talent, upskilling individuals, and creating jobs and businesses, S4C indirectly contributes to tax revenue for both the UK and Welsh Governments, thereby supporting the provision of public services. The various avenues through which S4C contributes to public finances include:

- **Employment Taxes:** including S4C employees and jobs supported along its supply chain (including freelancers) generates income tax and National Insurance contributions – estimated to total £17.3m.
- **Supplier and supply chain taxes:** S4C's investments and commissioning activities stimulate economic activity amongst its suppliers, production companies, and indirect supply chains which result in additional tax contributions in VAT, corporation tax, business rates and other taxes (i.e., import taxes) – estimated to have generated £57.8m.
- **Employee Spending:** incomes earned by S4C employees and those along its supply chain are spent on goods and services, which in turn contribute to local economies and generate additional tax revenue through VAT and other consumption-based taxes – estimated to be £15.7m in total.

In total, it has been estimated S4C's activities in 2022/23 have generated £90.8m in tax.²¹ This equates to £1.02 of tax being returned to the Treasury in the form of direct or indirect

²¹ Estimates do not include corporation and business rate taxes paid by businesses created/supported by S4C supply chain spend.

taxation for every £1 of Licence Fee income received by S4C in 2022/23. This implies that S4C's fiscal contribution not only covers its License Fee income but also generates additional income for the Government, which in turn bolsters the broader UK economy.

5. S4C's Contributions to the Welsh Language

Prior to the launch of S4C in 1982, Welsh language television content was intermittent and often broadcast at inconvenient times. Welsh language programming has moved forward leaps and bounds since, increasing from 22 hours of linear television when S4C began, to 115 hours a week 40 years on, with far more content also available on other platforms. In recent years, S4C has concentrated on increasing its online presence and introducing S4C Clic to new platforms, provided box sets for on-demand viewing, grown its short- and medium-form content offering available on social media platforms such as TikTok and YouTube, and launched a new Welsh-language digital news service, to name but a few developments.

S4C makes a variety of key contributions to the Welsh language, offering a wide range of programming, from news and entertainment to documentaries and dramas, all delivered in Welsh. Content commissioned by S4C showcases and reinforces Welsh cultures and supports new Welsh speakers looking to learn the language. Data collected by Beaufort Research found that 86% of S4C's Welsh speaking viewers felt that S4C was important to the Welsh language and that the Welsh language was supported by the content commissioned by S4C.²²

Historically, S4C's contribution to supporting the Welsh language has not been an explicit part of its remit. However, in confirming S4C's financial settlement from the Licence Fee for the period from 01 April 2022, the Secretary of State at the time acknowledged the key contribution that S4C can make to the delivery of the Cymraeg 2050 strategy. S4C has therefore recently taken a more active role in promoting and supporting the Welsh language by hiring a Welsh Language Strategy Lead who will implement the new MoU between S4C and the Cymraeg 2050 team at Welsh Government. Through their content, S4C are committed to ensuring that everyone has access to the Welsh language and feel they can use it.

Welsh Language Normalisation and Revitalisation

Television channels like Ireland's TG4 (Moriarty, 2009; Lysaght, 2009 & 2013), Catalonia's TV3 (Arana, Azpillage & Narbaiza, 2007), and New Zealand's Whakaata Maori (Freeman-Taylor, 2014) have been pivotal in normalising and revitalising minority languages such as Irish, Catalan (Webber, J & Strubell, M, 1991), and Māori. These studies indicate that an increased media presence can positively alter language attitudes, foster a sense of identity, and improve oral comprehension.

²²S4C 2022–23 Image Tracking Survey, Beaufort Research (2023)

S4C's commitment to broadcasting in Welsh significantly contributes to the continued use of the Welsh language. It provides a platform for Welsh speakers, fostering linguistic continuity and vibrancy.²³ In particular, children's services like Cyw and Stwnsh, and the new Cywion Bach series – which supports language transmission and new speakers – offer opportunities to watch and enjoy learning about the world through the medium of Welsh. Drama for young adults such as Itopia and Goleudy, funded through the Young Audience Content Fund, also offer something new for an audience which is difficult to reach in Welsh.

By commissioning Welsh-language content across various genres, S4C stimulates creative expression in Welsh, supporting writers, filmmakers, artists, and workers across supporting industries to earn a living through the medium of Welsh. A survey conducted among S4C's direct suppliers revealed that **Welsh language skills are essential for 75% of their workforce**, including both full-time employees and freelancers, to fulfil their roles for the broadcaster.²⁴

Stakeholders and production companies interviewed as part of this research were unanimous in their sentiments that S4C plays a vital role in supporting the Welsh language. When asked about particular developments or contributions made by S4C more recently, stakeholders noted that S4C had made good progress in their depiction of the diversity of the Welsh language through accent and dialect variety and programming aimed at Welsh learners.

When I think about S4C's impact on the Welsh language, I would always ask the question "where do I think the language would be today if S4C didn't exist?" (Stakeholder)

Several stakeholders also highlighted the role that Hansh and newer drama productions had played in normalising the consumption of Welsh language content among younger audiences on platforms that they're more likely to use. These testimonies are supported by S4C's viewership data shown in their annual report, which found that their weekly reach in Wales between March 2022 and 2023 has increased by 8% compared to the previous year. Furthermore, their reach among Welsh speakers is 14% higher than it was the previous year, making it the highest for the last five years.

Welsh Language Advocacy and Initiatives

S4C plays an important role in widening the reach of Welsh language initiatives in line with their new strategy of identifying the audience and creating the right content on the right platform for that audience. Recent examples include the wide range of content by their brand Lŵp for Dydd Miwsig Cymru and Heno, which showcases Welsh language initiatives

²³ Department for Digital, Culture, Media and Sport, [Building an S4C for the future](#), 2017

²⁴ Note estimate was based on 30 suppliers' responses, three of which accounted for more than 30% of S4C's expenditure spend

embedded within local communities like Diwrnod Shwmae Su'mae. S4C, through Hansh, have also played a role in highlighting how the Welsh language intersects with events like Pride and Black History Month, showcasing how these events are celebrated and commemorated in Welsh.

Case Study: Common Purpose – MOU with Cymraeg 2050

In February 2023, a memorandum of understanding (MOU) was published between S4C and Cymraeg 2050 which outlined how both organisations would cooperate to promote the Welsh language. The main themes of this MOU included:

- Educational resources
- Supporting Welsh learners
- Developing a positive narrative around using the Welsh language
- Intergenerational transmission of Welsh
- Collecting statistics about the Welsh language.

S4C have formed a group that will implement the commitments in the MOU. Some of these actions include working with the National Centre for Learning Welsh to develop content to support learning Welsh, supporting speech recognition and subtitling work, improving access to S4C content for educational purposes and raising the profile of the Welsh language internationally through their content and further co-production opportunities.

Teaching and Learning Welsh

One of the key features of S4C's approach to supporting the Welsh language is its active role in aiding new speakers and Welsh learners. This is embodied in their upcoming Welsh for All campaign. Supported by new appointments in their publishing team and a Welsh Language strategy lead, the Welsh for All campaign aims to welcome new speakers to engage with S4C on their learning journey through learner-oriented content, easier access to S4C programming more generally and a closer partnership with educational organisations.

In recent years, S4C has commissioned programmes to encourage Welsh language learning and showcase the diverse journeys people take to learn and return to Welsh. Programmes like *Iaith ar Daith* and shows on *Cyw* and *Stwnsh* provide a positive environment for Welsh learning for all ages. Actor Joanna Scanlon, who went on to star in the drama 'Y Golau', began her journey to learning Welsh on *Iaith ar Daith*.

There is a wealth of evidence documenting the effectiveness of television in teaching school children language skills (Ahindal et al 2011, Uchikoshi 2014, Gowon 2009). Bangor University (2017) found that children who watched *Cyw*, S4C's service for children, performed better in Welsh language tests and increased their knowledge of Welsh vocabulary. One survey also found 77% of S4C viewers were more confident in their use of Welsh because of S4C.²⁵

²⁵ S4C 2022–23 Image Tracking Survey, Beaufort Research S4C Annual Report and Accounts (2023)

Access to all Welsh language content has improved in recent years. S4C's streaming and on-demand platform Clic provides learners with more accessible filters to find programming suitable for their taste, such as a learner's category, making it easier to find appropriate programming. As well as supporting people who are Deaf and hard of hearing, Welsh and English language subtitles are a valuable resource for new speakers. In the previous year, 46% of S4C's programming had Welsh language subtitles, an increase of 21% from the previous year. English language subtitles were available for 79% of their programming (including live programmes), well above Ofcom's target of 53%.

Case Study: The National Centre for Learning Welsh

Established in 2016, the National Centre for Learning Welsh plays a central role in adult Welsh language education by offering tailored courses, resources, tutor training, and research. Its responsibilities include establishing a national strategic direction, providing leadership to course providers, elevating teaching and learning standards, and crafting a high-quality national curriculum along with suitable learning materials.

The Centre has seen its relationship with S4C evolve significantly in recent years, particularly with the appointment of the head of Welsh Language Strategy at S4C, which has provided a direct channel of communication between the two organisations. This has led to considerations regarding learners' increased use of S4C content, including the exploration of S4C's archives to enrich Welsh language learning materials. This collaboration is driven by the recognition of S4C's indispensable role in Welsh language learning and preservation.

Elevating the Welsh Language to the Global Stage

S4C's strategic aims for 2022 to 2027 are centred around developing into an internationally relevant media publisher that is able to compete with the growing pool of broadcasters and streaming platforms looking to catch audiences' attention.

S4C can attribute much of their recent international success to its high quality dramas like *Dal y Mellt*, *Y Golau* and *Craith* that have been sold and co-produced with other broadcasters like the BBC and Channel 4 and sold to streaming services including Netflix to be shown worldwide.

Wales' international sporting successes have provided S4C with opportunities to capitalise on. The 2022 FIFA World Cup and the 2023 Rugby World Cup saw S4C broadcasting matches and player interviews in Welsh, generating a huge audience growth and achieving record-breaking social media engagement figures. S4C were also able to participate in a significant milestone for the language, interviewing players in Welsh for the first time ever at a FIFA World Cup press conference. Unique programming like the *Cymru i'r Byd* Concert, allowed S4C to capitalise on sporting success to highlight a broader range of Welsh culture.

International Reach Case Study: Dal y Mellt

Crime drama Dal y Mellt is an adaptation of Iwan 'Iwacs' Roberts' debut novel and follows the story of Carbo, a young car thief, as he's drawn deeper into the criminal underworld. Produced by Vox Pictures and filmed in Cardiff, Soho, Holyhead and Llantrisant, the programme was initially released as a box set on S4C Clic and BBC iPlayer in October 2022.

Dal y Mellt garnered significant attention in 2023 when it was announced that Abacus Media Rights had sold the broadcast licence to Netflix in April 2023. Released on the platform as "Rough Cut", Dal y Mellt stands alongside other Welsh-made global successes like Y Gwyll (Hinterland) and Y Golau (The Light in the Hallway), which have also been sold internationally. However, Dal y Mellt holds the distinction of being the first exclusively Welsh language programme to be acquired by Netflix.

A second series of Dal y Mellt is set to be released in 2024, based on Iwan Roberts' second novel 'Dal Arni', due to be published by Y Lolfa in November 2023. The international success of Dal y Mellt highlights the worldwide appetite and interest for Welsh, particularly, Welsh language content and S4C's ability to supply it.

6. The Social and Wider Footprint of S4C

The economic impact of S4C is only one side of the story. In this chapter, we turn our focus to the equally vital social and environmental contributions S4C makes. We navigate through key themes including community engagement and cohesion, pride and identity, equality and diversity, well-being, and the organisation's commitment to environmental sustainability. Together, these themes paint a comprehensive picture of S4C's impact on the communities it serves and the environment it resides in.

As we explore each theme, it's vital to recognise how S4C aligns with the Welsh Government's Well-being of Future Generations Act, revealing its broader role in Wales, its communities, and society. The diagram below illustrates the connections between these social themes and the Act's seven well-being goals

- Community Engagement & Cohesion
- Welsh Identity & Pride
- Equality, Diversity & Inclusion
- Inspiring & Education
- Entertainment & Wellbeing
- Environmental & Sustainability



Community Engagement and Cohesion

Independent media supports democracy by keeping citizens informed, increasing their knowledge of public affairs, brokering dialogue, and assisting them in understanding one another (UNESCO, 2023). S4C's programming often addresses local issues, community stories, and events, fostering a sense of community engagement and unity. This can contribute to social cohesion (Te Walvaart, M. et al, 2021) and shared narratives within Wales.

S4C's content and media more widely can catalyse important social discussions, shedding light on pressing issues, and encouraging public discourse (Pasek, J et al., 2006):

- Civic Engagement: through news and current affairs programming, S4C can foster civic engagement, encouraging viewers to be informed and active participants in their society.
- Inter-generational Bonds: S4C's programming can help bridge generational gaps, fostering shared viewing experiences that strengthen family and community bonds – as noted in S4C's annual report the organisation's 16–44 age audience was at its highest for a decade and 45-64 at its highest for 9 years.

Community Engagement Case Study: Bariau

The 2 Sisters chicken processing plant in Llangefni closed its doors in spring 2023 after being in service for five decades. This resulted in a large number of job losses in an area where over 80% of the population speaks Welsh. Despite a collaborative effort from the Welsh and UK Governments and Anglesey Council to support affected workers, the closure went ahead. Productions commissioned by S4C were able to step in and support some of those impacted by the closure by providing them with both short- and long-term employment opportunities.

Bariau is produced at the recently opened Aria Studios near Llangefni by Rondo, who also produces the successful soap drama Rownd a Rownd. A former 2 Sisters employee was offered long term work on the production of Bariau and later on Rownd a Rownd. Another 20 former 2 Sisters employees were hired as extras on the Bariau series. S4C's investment in the area played a crucial role in ensuring that members of the local community were supported when facing challenging economic times.

Promotion of Volunteering and Community Involvement

S4C can promote a wide range of volunteering and community involvement opportunities either by widening the reach of these opportunities by providing a platform through their programming or through directly supporting them with funding and partnerships. Stakeholders and production companies highlighted how programmes like Heno play a key role both in promoting and showcasing events within local communities, actively inviting viewers to send short clips to promote events.

Community Involvement Case Study: Urban Games

Following a successful debut in 2022, the Urdd Urban Games 2023 built on its previous success by promoting sports like BMX, Skateboarding, 3x3 and Wheelchair Basketball, and Street Dance in the heart of Cardiff Bay. The event featured a temporary skate park, drawing in top BMX, Skateboard, and Scooter riders, offering both competitive opportunities and taster sessions for people to give urban sports a first try.

The event welcomed over 500 participants and 5,000 live spectators from all over Wales, demonstrating the Urdd's ability to provide unique opportunities for young people through the medium of Welsh. S4C played a pivotal role in widening the event's reach by highlighting some of the events and competitors as well as showcasing the music and entertainment at the games. The coverage helped demonstrate the power of sports to engage young people and unite communities.

Support for Non-Profit Organisations

S4C's coverage and platform have been used both to support non-profit organisations directly and to ensure that viewers are aware of organisations' work and can make use of their services.

Through their broadcast and social media feeds, the agricultural magazine programme Ffermio has platformed the work undertaken by Tir Dewi, a helpline and service supporting Welsh farmers with the wide array of modern challenges they face including Brexit, health, succession planning and extreme weather.

S4C has also financially contributed to a number of organisations that drive positive social impact. Following the War in Ukraine, S4C coordinated a range of events to raise money and awareness for the Disasters Emergency Committee (DEC) Cymru, culminating in the broadcast of the Wales and Ukraine Concert in April 2022 with a lineup of Welsh and Ukrainian artists. S4C were also a sponsor of the Pride Cymru parade, aligning with S4C's commitment to improve their diversity and support an organisation at the forefront of campaigning for equality and tackling discrimination.

Welsh Identity and Pride

S4C plays a key role in developing a sense of national identity and pride by platforming Welsh culture, achievements and talent. S4C's strategy has placed a renewed focus on broadening its appeal and ensuring that its content and the Welsh language are accessible to all and becoming more representative of Wales as a whole.

Research undertaken by Davies (2020) and McElroy (2008) both highlight the role minority-language media (and S4C in particular) play in the development of children's sense of personal identity by providing them with access to a "story about the self" which reinforces a sense of Welsh identity and national community. Furthermore, an independent review of S4C found that 84% of S4C viewers agreed or strongly agreed that the broadcaster plays an important part in the development of Welsh identity and culture.²⁶

Stakeholders noted how S4C's economic contributions can lead to a sense of local pride and place by generating local jobs through the medium of Welsh. With regards to programming, stakeholders and production companies felt that the two largest contributors to national identity and pride came from S4C's sport and Eisteddfod coverage, offering a positive view of Welsh culture and sporting achievements.

Identity and Pride Case Study: Wales Journey in the World Cup 2022

Wales' return to the World Cup in 2022, after an absence of 64 years, was more than a sporting achievement. It offered a unique opportunity to showcase Welsh culture and heritage on the global stage. Notably, the Welsh language gained prominence during the World Cup through songs like Yma o Hyd and interviews with players like Ben Davies. S4C, in partnership with the FAW, the Urdd, and other broadcasters, took a leading role in highlighting the Welsh perspective at the World Cup.

²⁶ S4C Annual Report and Accounts (2023)

As part of the World Cup 2022 celebrations, the "Jambori" event, organised in collaboration with the Urdd, allowed schoolchildren across Wales to come together and support the national team. It was a historic moment with over a quarter million children singing in unison to celebrate Wales' World Cup qualification.

Equality, Diversity and Inclusion

As highlighted in their annual report, one of S4C's strategic priorities for the next five years is to strengthen their representation and inclusion by ensuring that all Welsh communities feel reflected in S4C's content. S4C is also committed to ensuring that this diversity is reflected in the workforce that produces its content by working with production companies and partners to attract new talent into the sector.

During the 2022/23 reporting year, S4C has continued working with partners like It's My Shout, Screen Alliance Wales, ITV Wales (Dim Sbin) and Careers Wales to support workforce diversity. The broadcaster has also been part of the RAD Cymru Wales pilot aimed at individuals from under-represented backgrounds. These partnerships have given new talent the means to develop their skills by pitching and producing content for S4C and other broadcasters, strengthening the pipeline of new and diverse skillsets, backgrounds and experiences entering the creative sector in Wales.

Stakeholders noted that recent programming like *Drych: Fi, Rhyw ac Anabledd*, which won a prestigious Broadcast Award, and the most recent season of *Craith*, which saw S4C partner with the disability theatre company Hijinx, had played a strong role in improving S4C's on-screen representation of disabled people. In 2023, S4C commissioned a slate of content to coincide with Disability History Month. S4C also currently surpass Ofcom's targets for audio described and signed programming. Furthermore, S4C sponsored *Pride Cymru* in 2022 and 2023 and have produced a variety of factual and entertainment programming like *Ffyrnig*, *Trawsnewid Bywyd* and *Y Label L*.

In 2022/23, 62% of S4C's Welsh speaking viewers felt that the broadcaster successfully reflected the diversity of people living in Wales in terms of age, gender, disability, sexual orientation, religion and ethnicity. This figure is higher than the previous year (59%), reflecting stakeholders' sentiments that S4C is moving in the right direction but still has progress to make in terms of diversity and inclusion.²⁷

Tracking Progress Case Study: Project Diamond

S4C's new strategy commits to improving diversity in Welsh language media, both on and off-screen, through their commissioning activities. One of the positive steps S4C have taken in this direction is to partner with the Creative Diversity Network by joining Diamond, an industry-wide diversity monitoring project.

²⁷ S4C Annual Report and Accounts (2023)

Diamond's most recent report represented data collected from 1.1 million contributions by individuals working on television content in the UK. Data is collected on gender, race, ethnicity, disability, sexual orientation, and age, which is cross-tabulated with broadcasters and programme genres to monitor on and off-screen diversity. Diamond's next report will include the first data contributions made by individuals working on S4C productions, providing them with a baseline from which to improve.

Inspiring and Educating

The three core purposes of S4C's content are to educate, inspire and offer escapism, which they achieve through their breadth of programming from drama, children's shows, sports and factual. S4C produce a wide range of educational materials for all levels to accompany their content. The broadcaster and the production companies they commission also undertake a variety of activities to support, inspire and educate communities across Wales.

Educational Partnerships and Collaborations

S4C has placed a renewed focus on education and life-long learning in their new strategy, committing to a more holistic and deliberate approach in its commissioning and provision of educational content. Although S4C provide educational content themselves through their pre-school service, Cyw, and their offer to new Welsh speakers, Dysgu Cymraeg, the broadcaster is keen to maximise their educational impact by partnering with educators.

S4C's partnership with the National Centre for Learning Welsh continues to strengthen which only serves to improve the provision of programming aimed at new Welsh speakers and Welsh learners (see Chapter 5). S4C also collaborates with Coleg Cymraeg by allowing them to host archived S4C programmes on their resources library: Y Llyfrgell Adnoddau.

Educational Archive Case Study: Hwb

Hwb is the Welsh Government's bilingual online learning platform that provides digital services to all maintained schools in Wales. Hwb provides learners and teachers with resources and materials aligned with the Curriculum in Wales. As part of the Welsh Government's expansion of the resources available through Hwb, they have partnered with S4C and the WJEC to launch the S4C streaming channel.

The channel hosts over 80 hours of S4C programmes on Hwb aimed at Key Stage 4 and post-16 learners. S4C plans to continue uploading programmes to the Hwb streaming service, expanding the content available for learners in the future.

Inspiring

Through exposing people to cultural, creative and educational content through their programming as well as commissioning content produced across the entirety of Wales, S4C play a key role in inspiring people to engage and contribute to the cultural fabric of Wales.

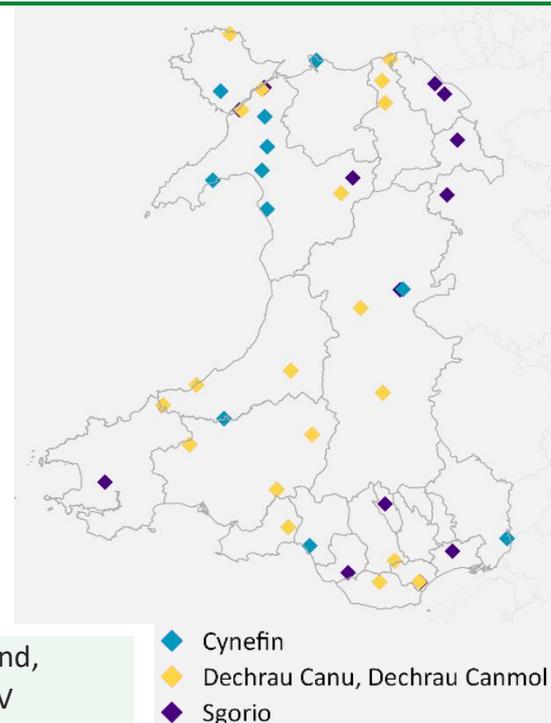
Many stakeholders felt that S4C played a strong role in inspiring young people in particular, boosting pride by broadcasting national sporting events and by exposing young people to the creative sector through locally filmed productions. Several stakeholders also referenced S4C’s broadcast of the Urdd and National Eisteddfods as ways of exhibiting how the creative sector works for young people.

“Eisteddfod yr Urdd is often the first place where young people have the opportunity to perform, it’s really valuable that they’re given that platform and level of attention” **(Stakeholder)**

Hansh actively invites and supports new content for its platform, creating new access routes for people in the creative sector. S4C, through Hansh, has also partnered with organisations like It’s My Shout to increase the number of opportunities to enter the creative sector, supporting 80 people last year to produce Hansh content.

Case Study: Filming Locally - Rondo

With offices in Caernarfon, Cardiff and Menai Bridge, Rondo is one of S4C’s largest content producers. Producing flagship content for S4C like Sgorio, Dechrau Canu Dechrau Canmol, Cynefin and Rownd a Rownd allows Rondo to make significant contributions to local communities through widening the exposure of local events, communities and sporting fixtures and inspiring and educating people through workshops and sessions about their programming. During 2022 and 2023, Rondo filmed content for Sgorio, Cynefin and Dechrau Canu Dechrau Canmol across over 40 towns and cities in Wales, often using locally based freelancers, caterers and accommodation providers – see adjacent map. With Rownd a Rownd, Rondo has also hosted acting, script writing and TV production workshops in schools, universities, theatres and other community centres with over 500 attendees between November 2022 and March 2023. Rondo also accommodated a session at the National Eisteddfod’s Maes D based on their programme Stori’r Iaith, where one of the hosts, Sean Fletcher, encouraged attendees to engage with Welsh language history using new educational resources that had been made in conjunction with the Welsh Government and Atebol.



Entertainment and Well-being

Community-based broadcasting can have a positive impact on the state of mental health of its audiences (Meadows & Foxwell, 2011). Broadcasters make a large contribution to managing community mental health by empowering audiences to better understand and control issues that impact their emotional and social wellbeing.

Case Study: Highlighting Children's Mental Health - Bex

Broadcasted by S4C in March 2022, Bex is an eight-part series that has broken new ground in its discussion of mental health problems and their impact on children and their families. Each episode addresses different mental health issues like Obsessive Compulsive Disorder, Panic Attacks, Phobia, Body Dysmorphia and Trauma from the loss of a family member.

The series has been praised for opening the discussion around mental health issues among children and young people and equipping them with the tools and language to be able to discuss these issues with others, which has become increasingly important in the wake of the Covid-19 pandemic which saw a significant rise in mental health related issues among children especially. The series was shortlisted for a BAFTA Cymru award in the children's category.

Certain programs, such as those focused on well-being, self-care, or mental health awareness, can contribute positively to viewers' mental health. S4C also highlight a variety of mental and physical health issues throughout their programming (most recently in Bex and Drych which investigated how Welsh identity may influence our mental health), further resources are provided to support viewers that are affected by the issues or choose to understand more about them. Advice is available on the S4C website's support pages for a wide range of issues, as well as links to external resources, examples include resources on drink spiking, bullying, depression, cancer, sexual health and alcohol and drug use.

Case Study: Ffit Cymru

2022 saw the release of another series of the health transformation programme Ffit Cymru. The new series follows five more leaders as they embark on a two-month journey following health plans set out by personal trainer Rae Carpenter, psychologist Dr Ioan Rees and food expert Beca Lyne-Pirkis.

Aligning with S4C's strategic focus on multi-media content, viewers can follow along with the health plans put in place for each of the leaders through the Ffit Cymru website. They're also able to access general physical fitness advice and recipes within the leaders' plans.

Environmental and Sustainability

The wider British television production sector has in recent years strengthened its commitment to environmental sustainability through implementing emission reduction targets and entering partnerships such as with the BAFTA Albert Consortium to collaborate on sustainable practice. S4C is moving with the wider sector, taking positive steps to begin addressing these issues. Most recently, it became one of twelve broadcasters and streaming services to sign the Albert Climate Content Pledge in 2021.

Investing in Corporate Responsibility and Sustainability

S4C has laid the foundations for evaluating its corporate sustainability efforts by producing an annual sustainability report, the second of which was published for the 2022/23 reporting year. Relocating their headquarters to Yr Egin, a building which achieved a BREEAM Excellent certificate for sustainability, and co-locating their broadcast technology operations with BBC Cymru in their Central Square building has reduced S4C's energy consumption and emissions.

Like many organisations, S4C has implemented measures to reduce unnecessary travel and increase the use of video conferencing while also encouraging the use of public transport as much as possible. In 2022/23, 100% of the electricity used by S4C at Yr Egin came from renewable sources, up from 88% in the previous year.

S4C's overall emissions increased in the previous year. However, it should be borne in mind that national home-working restrictions remained in place at the start of the 2021/22 reporting year, therefore, the 2022/23 year serves as the first 'business as usual' benchmark from which S4C can improve.

Collaborations and Initiatives

S4C does not produce their broadcast content, however, they have still made progress in improving the environmental sustainability of its content. One of S4C's recent strides was made in January 2022 through partnering with the BAFTA Albert Consortium, a consortium of film and TV businesses aiming to reduce the environmental impacts of production and create content that supports a vision for a sustainable future.

Since January 2022, it has been mandatory for eligible series' commissioned by S4C to engage with the BAFTA Albert Consortium.²⁸ The process involves the completion of the Albert carbon footprint calculator. Productions are also encouraged to complete the Albert certification process. This process involves being paired with a member of the Albert team at BAFTA, who will propose a series of recommendations to the production to reduce their environmental impact. Previous recommendations have included operating non-diesel generators and more energy efficient lighting on set, the use of alternative low-carbon travel methods and participation in Albert's creative sector offsetting scheme.

²⁸ Productions commissioned by S4C are required to work with the BAFTA Albert Team if the series is over 15 minutes in total duration and is over £50,000 in budget.

During 2022/23, 92% of S4C productions complied with requirements set out by the BAFTA Albert Consortium, the result that was lower than was projected due to a large number of sports broadcasts during the reporting period²⁹.

Collaboration Case Study: Albert x Boom x S4C

Boom Cymru is one of the largest television producers in Wales who make hundreds of hours of content for S4C, BBC Cymru and ITV Wales annually. The company has collaborated closely with the BAFTA Albert Consortium for more than four years to improve the sustainability of their productions. Therefore, when S4C formally partnered with Albert, their strong relationship meant they were able to effectively share good practice, centre sustainability and encourage uptake and positively influence their networks and more widely the sectors and sub-sectors the two organisations work with.

All of Boom Cymru's programmes for S4C have been Albert certified since 2019, having made a variety of changes to their productions to improve sustainability. By drafting 'green memos' at the start of any production process, Boom are able to embed a unique sustainability approach for each production, like using a renewable energy powered studio for Ahoi and Byd Tad-cu or powering their on-set generators with non-fossil fuels and discarded vegetable oil for their coverage of the Royal Welsh Agricultural show.

Through their close links with S4C, Boom's strong example has been disseminated wider to the Welsh television production sector. S4C is in a position to advise productions on ways in which they can improve their sustainability such as hiring of local crew to minimise travel, using Albert certified caterers on set, powering cameras and microphones with rechargeable batteries, and partnering with charities that can make use of old props and equipment.

Programming and Education

As well as improving the environmental sustainability of commissioned productions, S4C's partnership with the BAFTA Albert Consortium and its commitment to the Climate Content Pledge ensure that content plays an educational role by raising awareness about climate related issues, demonstrating positive behaviour on-screen and improving audiences' climate literacy.³⁰

Commissioners, producers and staff can access free training on top of their required carbon footprint calculations, covering topics like improving sustainability within news, entertainment and sports productions as well as training on how to better communicate climate change in both factual and non-factual programming.

²⁹ S4C, [Annual Report and Accounts, 2023](#)

³⁰ BAFTA Albert Consortium, [Climate Content Pledge](#)

As a media commissioner, these principles are most apparent in S4C through their increased coverage of climate related issues on programmes like Newyddion S4C and Pawb a'i Farn, as well as new factual programming currently under production like 'Colli Cymru i'r Môr', which investigates the impact of climate change and flooding on Wales. Further discussions of climate related issues can be found across other genres, such as electric vehicles in Pobol y Cwm and the promotion of biodiversity on their gardening series Garddio a Mwy.

Appendix A: Glossary

- **Full-time equivalent (FTE)** – a measure of employment to make part-time, full-time and freelance work more comparable.
- **Gross Value Added (GVA)** – a measure of economic productivity that measures the contribution of an economic agent (e.g. company, individual, region). It is measured by taking the pound (£) value of the goods and services that have been produced, minus the costs of inputs and materials attributable to that production.
- **Location Quotient (LQ)** – a measure used to quantify how concentrated a particular sector is in a region compared to a larger reference area (Great Britain). It is calculated by comparing the industry's share of regional employment to the industry's share of national employment.
- **Middle Super Output Area (MSOA)** – is a geographical area within local authorities defined by census statistics. They comprise between 2,000 and 6,000 households and have a usually resident population between 5,000 and 15,000 persons.
- **Multiplier** – a factor which attempts to capture the additional income produced as a result of some initial expenditure. In the case of S4C, their direct spend in many cases goes to production companies that will spend the money again on their own staff and suppliers. The multiplier tries to quantify this additional expenditure that occurred as a result of the initial spend. A GVA and Employment multiplier from the IO tables follows the same concept – in that it is a ratio of the additional GVA or employment impact from the initial direct GVA or employment impact.

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Appendix C: Consultee Summary

Across 13 interviews, 22 individuals from the following organisations were consulted as part of the economic and social assessment of S4C's activities in 2022/23:

- Two individuals from S4C.
- Eight individuals representing Welsh independent production companies that produce content for S4C.
- Eight individuals from wider Government, Third Sector and Academic organisations with a strategic interest in S4C's activities.
- Four individuals from other broadcasting organisations which also make content for S4C.

Appendix D: Approach to Impact Assessment

The methods used in this economic impact assessment are standard for this type of assessment and have been informed by the principles set out in HM Treasury's Green Book. The determined approach was determined based on the study's scope, economic data quality and availability and timescales but mainly draw on:

- **ONS UK and Scottish Government National Input-Output Tables** – which provides a snapshot of an economy and the flow of goods and services between different sectors. The tables enables users to estimate in a consistent manner the full multiplier effects (GVA, employment) arising from a change in output/demand in any of these sectors.
- **Industry Ready Reckoners** – where information is unavailable and or limited survey data, we have drawn on industry benchmarks to compensate.

The methodology and outputs were peer reviewed by an external consultant that specialises in constructing and deploying input-output tables.

Impact Area

The assessment focuses on the economic contribution S4C makes to Carmarthenshire, Wales and the UK economies.

Measures of Economic Benefit

S4C's Direct Value

Drawing on guidance from ONS UK National Account Blue Book 2022 and Detailed Methodology in Appendix D, this report estimates S4C's direct economic impact using the income approach:

$$GVA = \text{Operating Profit/Loss (before tax)} + \text{Employee Costs} + \text{Depreciation} + \text{Amortisation}$$

In the 2022/23 assessment period, S4C reported an operating loss of £5.0m.³¹ It was determined, following peer review, given the organisation's financial sustainability prior to the pandemic, a breakeven assumption would be sensible. It was judged that it would have been fair to assume that S4C would not have had a negative impact on the Welsh economy.

³¹ It is important to note that S4C surpluses and deficits are transferred into the general fund. As such as a non-financial corporation, it does not make a profit or loss. As such to reflect S4C's added value, the organisations gross operating income prior to transfer to the general fund is defined as its direct impact.

S4C's and its Supply Chain's Spend (or Indirect Effect)

Supplier expenditure data shared by S4C included spend per supplier, their postcode, description and company number where available. Company numbers were used to determine supplier's two digit SIC (and therefore industry they operate in) to match sector profiles within the input-output models. Where company numbers were unavailable websites and category of spend were used as indicators of the industry of the supplier and assigned a SIC. To determine the indirect or supply chain impact:

1. Expenditure was converted to GVA using the relevant sector turnover to GVA ratio from ONS 2021 Annual Business Survey – where data at the regional and SIC code were omitted previous years or national level ratios were used.
 - Because 80% of S4C supply chain spend was on businesses operating in the 'Film, TV, Video, Radio, and Music' sub-sector (SIC 59 and 60) a multi-year average of the ratio was adopted to account for the effects of the pandemic on the sector.
2. Type I GVA and employment multipliers from the UK IO tables were then used to estimate the economic impact of S4C supply chain spend.

The Effect of Salaries (Induced)

The study has sought to understand the effect of salaries from S4C and its supply chain employees including freelancers.

- **S4C Employees** – S4C's Statement of Accounts presented employees net salary which were adjusted by the average savings rate in the UK (ONS) to estimate disposable income. ONS UK IO table was then used to determine industry spend by households from which the total GVA and Employment impact was calculated.³²
- **Supply Chain** - applied Type II GVA and employment multipliers derived from Scottish Government IO Tables.
- **Freelancers** – a survey was issued to S4C suppliers to gather information on freelancers employed. Industry average salary for a freelancer working in Wales was then used to determine total pay. Tax and savings were then accounted for to estimate total freelancer disposable income. ONS UK IO table was then used to determine industry spend by households from which the total GVA and Employment impact was calculated.

The Impact of Visitors

An estimate of visitors to Yr Egin for S4C activities (filming, clients and site visits) was provided by the centre and S4C. Average day spend figures were used to calculate the total spend of visitors.³³ Scottish IO tables were then used to understand tourism spend by industry from which total GVA and Employment impact from visitors was calculated.

³² <https://www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/dgd8/ukea>

³³ <https://www.gov.wales/domestic-gb-tourism-statistics-day-trips-wales-2022-html>

Key Limitations in Approach

It is important to recognise there is a range of limitations in undertaking an impact assessment of this nature, which need to be borne in mind when considering the findings of the assessment.

- **ONS ABS Turnover to GVA ratios** – SIC 59 and 60 in Wales during 2021 were unusually low, likely influenced by the pandemic. To provide a more accurate representation of the sector's value, an average of these ratios across multiple years (where available) was utilized after peer review.
- **Wales IO Tables** – the latest publicly available Input-Output (IO) tables for the Welsh economy were last published in 2007. In adherence to industry standards, we used the ONS' UK and the Scottish Government's IO tables, which incorporate data up to 2019. However, it's important to acknowledge that this approach assumes that sectoral relationships in the UK and Scotland are similar to those in Wales and that the latest available IO data is from 2019.

It is worth noting that an update of Wales-specific (IO) tables has been commissioned by the Welsh Government for release in mid-2024. As a result, any future economic impact assessments of S4C will draw upon more accurate and tailored data specific to the Welsh economy. This may lead to significant changes in the outputs and findings in the future.

- **Freelancers** – assessing the economic impact of freelancers presents unique challenges, primarily stemming from the lack of official statistics that directly and consistently measure their contributions. These challenges include the diverse nature of freelance services, difficulties in categorisation, and limitations in collecting accurate data. To address this, our study sought to capture the economic effects of freelancers through their spending within the local economy.

To determine the size of the freelancer content-producing workforce supported by S4C, we conducted an online survey complemented by telephone consultations. The survey invited all suppliers of S4C receiving more than £10,000 to respond. Of the 88 that did respond, 11 were content-producing suppliers. At a 90% confidence level, these findings suggest that data generated from the survey could vary by up to 24% in either direction for the entire population.

- **Methodology approach** – while developing this study, we reviewed the methodologies employed in previous economic impact assessments of S4C's activities. However, we opted for a different methodological approach, aligning with practices found in similar reports (including KPMG's assessment of BBC)³⁴. This decision was made to ensure transparency and repeatability in future commissions.

³⁴ KPMG - An Assessment of the Economic Impact of the BBC: A report for the BBC for Financial Year 2019/20 (March 2021)

Consequently, the results of this report are not directly comparable to those of previous reports.

These key limitations underscore the complexities of conducting a comprehensive impact assessment, and they should be considered when interpreting the results presented in this report.

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