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Assessment of the Economic and Social Impact of S4C's 2024/25 Activities



S4C /

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Executive Summary

Wavehill was commissioned by S4C to assess the broadcaster's contribution to the Welsh and UK economies, its role in supporting the creative industries, and its wider social and cultural footprint. This report presents an independent assessment of the economic and social impact of S4C's activities during the 2024/25 financial year, building on the baseline established in the 2022/23 impact study.

Based on our research, we have reached the following findings:

- S4C has delivered significant value, despite operating within a challenging financial environment with inflation outpacing the broadcaster's budget growth; this has led to a real-term reduction in licence fee funding compared to the 2022/23 year.
- During 2024/25, S4C directly employed 163 individuals, equivalent to 128 full-time equivalent (FTE) staff in Wales and 5 outside Wales: an increase of 9 and 3.5 FTEs respectively, compared to 2022/23. Through its expenditure, the broadcaster engaged with 1,190 suppliers across 58 distinct sectors in 2024/25.
- In terms of its overall economic impact during 2024/25, S4C supported over 2,500 FTE jobs and contributed £150.3 million in gross value added (GVA) to the Welsh economy; this increased to 2,630 jobs and £161.3 million in GVA across the UK.
- 57% of S4C's Welsh expenditure in 2024/25 was spent outside Cardiff, five percentage points higher than in 2022/23 (52%).
- For every £1 of licence fee income, S4C generated £1.59 in GVA in Wales, £1.70 in GVA across the UK, and returns £1.03 to HM Treasury.
- S4C's Commercial and Content Investment Funds are also generating returns in addition to the impact figures cited above, by serving as a driver of GVA, jobs, and further funding from other sources. For example, S4C's Commercial Content Fund has invested approximately £1.6 million across seven productions and scripted developments. These investments have helped unlock an estimated £3.2m in total production value, representing a leverage ratio of 1:2.
- S4C's funding directly supports several training and awareness-raising initiatives across the creative industries; this creates pathways to enter the sector and helps workers to upskill once within it.
- S4C's social impact is driven by the support and partnerships it has developed with a variety of organisations. Working with Adnodd and other bodies has allowed S4C to extend its positive impact in the education space, through helping to develop specific materials for Welsh-language education. Meanwhile, partnering with the Iris Film Festival, Culture Connect, and the University of South Wales has ensured that Welsh-speakers from a range of backgrounds are supported and given opportunities within Welsh media.

In 2024/25, through its day-to-day operations, S4C...

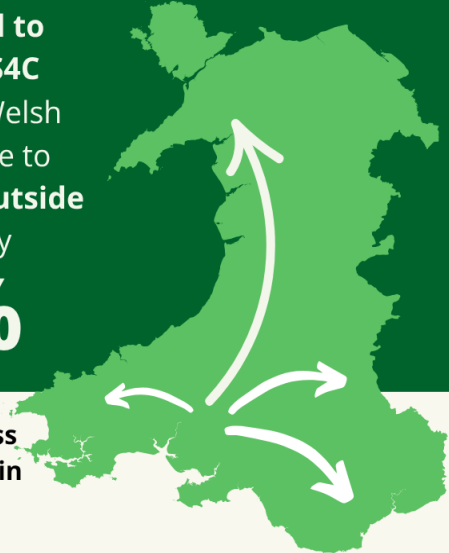
employed
128

full time
equivalent (FTE)
staff in Wales

generated
£8.8m

in Gross Value
Added (GVA) in
Wales

Compared to
2022/23, S4C
Increased Welsh
expenditure to
businesses **outside**
Cardiff by
5%

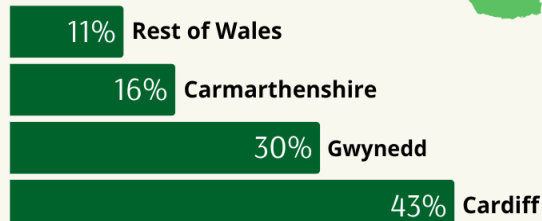


S4C's expenditure spreads into
local supply chains with...



93%
of employment
and GVA
impacts were
retained
within Wales

Total business
expenditure in
Wales:



For every £1 of licence fee income received...

£1.59

in GVA goes to
Wales' economy



£1.70

in GVA goes to
the UK economy



£1.03

is returned to HM
Treasury



S4C's social impact includes...



Creating content to support the curriculum of
Wales



Supporting new talent into the creative
industries and upskilling the workforce



Representing the diversity of Welsh speakers
and their communities

In Wales, S4C's content
fund has generated...

£1.6m in leveraged
funding

£4.7m in gross
value added

70 FTE jobs

S4C's other investments
have supported...



Studio space in
Anglesey



Energy efficient
technology



R&D into S4C's
digital future

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



2,500
FTE jobs



£150.3m
in Gross Value Added



0.2%
of Wales's GVA

1. About this report

Building on the findings of our 2022/23 impact report¹, S4C recommissioned Wavehill to undertake a follow-up study assessing its activities during the 2024/25 financial year.

In December 2022, the S4C Board approved a policy statement that brings together S4C's existing activities in terms of social and economic contribution. This policy statement aligns with the 2022–27 corporate strategy approved in March 2022, and committed to independently measuring S4C's economic and social impact every two years. Our previous report shone a light on the broadcaster's national economic footprint and its contributions to local businesses and communities across Wales.

This research aims to explore S4C's impact by building on the baseline established in our 2022/23 report, through highlighting and assessing developments in the last two years.

1.1 Key research objectives

This study seeks to assess S4C's current economic and social contribution to Wales and the UK, aiming to address four key research objectives:

- 1) to measure the gross economic impact of S4C's activities during the 2024/25 reporting year at the Wales and UK levels;
- 2) to outline how S4C's economic and social impact has changed from the baseline outlined in our 2022/23 impact report;
- 3) to demonstrate the economic benefits (including financial) of S4C's activities at the local and Wales level;
- 4) to showcase the social and wider impacts of S4C's 2024/25 partnerships that positively influence local communities, economies, and the Welsh language.

1.2 Our approach to the 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 Book². The overall assessment has been informed by:

- A desk-based review of S4C's 2024/25 activities, focusing on key operational variables that drive economic and social benefits.
- Internal S4C data (including income, supply chain expenditure, employee data, programming costs per hour) used within the narrative of this report and as an input for the economic impact assessment – see Appendix B for a detailed methodology;
- Consultations with staff at S4C to discuss potential ways in which the broadcaster creates economic and social impact.

¹ Wavehill, [Assessment of the Impact of S4C's 2022/23 Activities](#), January 2024

² HM Treasury, [The Green Book \(2022\)](#), May 2024

- Consultations with four of S4C's domestic content suppliers (Boom, Tinopolis, Cwmni Da, Chwarel) to form deep-dive case studies covering the quantified economic impact of a selection of S4C's commissions released in the 2024/25 year.
- Consultations with seven organisations that work in partnership with S4C to form case studies that individually demonstrate S4C's wider economic and social contributions.
- Consultations with two recipients of S4C Commercial Growth Fund investments (Kubos Semiconductors and Condense Reality).

1.3 Coverage of the report

The report is structured in the following sections:

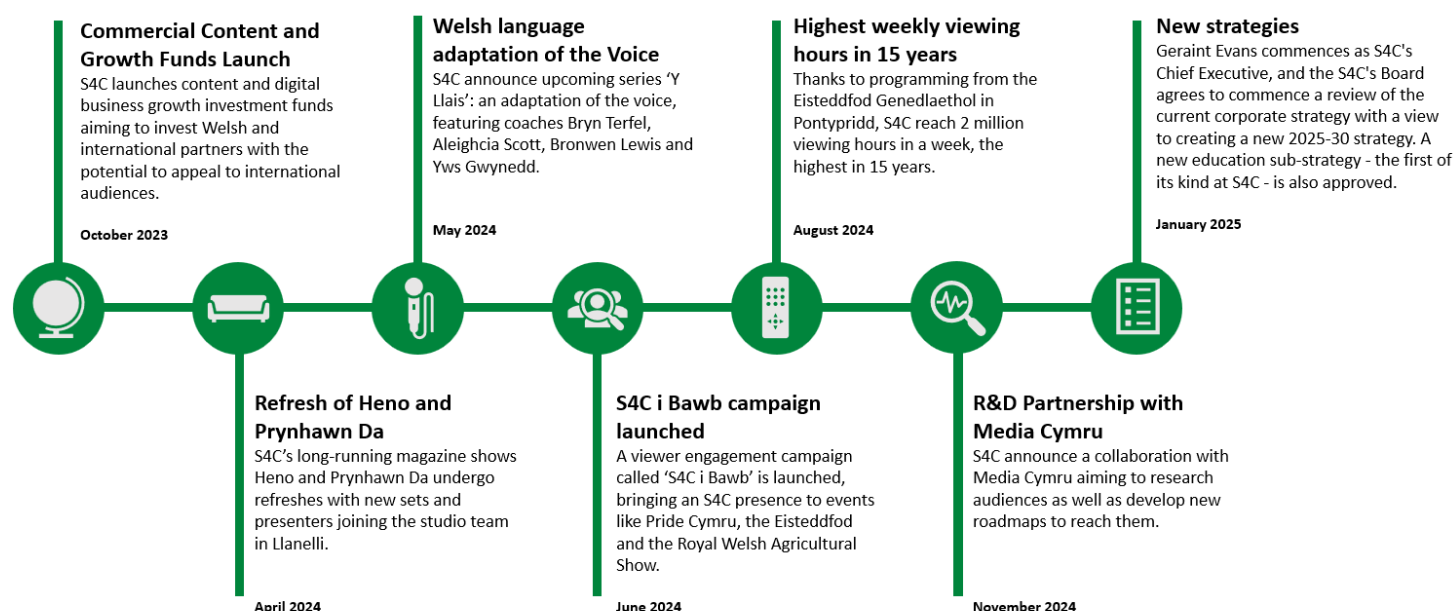
- **Chapter 2** highlights some of the key changes to the context that S4C works within, including new appointments and inflationary pressures.
- **Chapter 3** quantifies the economic impact of S4C's activities in the 2024/25 financial year in terms of jobs and GVA, and compares S4C's impact with the baseline established in our 2022/23 impact report.
- **Chapter 4** provides a brief overview of S4C's social impact, summarising findings from the previous impact report, as well as including case studies from organisations that S4C has partnered with in the past year.
- **Chapter 5** includes three case studies from some of S4C's producers, detailing the impact their programming has generated in the 2024/25 year.
- **Appendices** provide a glossary of terms, consultees, and our approach to calculating economic impact.

2. Key developments since 2022/23

This chapter presents a brief update on S4C's key developments since our 2022/23 impact report, and provides context for the impacts outlined in later chapters.

2.1 S4C's growing influence

S4C continues to operate in line with its strategic priorities by supporting local economies, developing its audience, and broadening the range and availability of its content. S4C has also established a Social Purpose Team tasked with enhancing the broadcaster's social impact through its partnerships, with a focus on the Welsh language, education and diversity. Since the release of our previous report, S4C has taken several steps to strengthen its positive economic and social influence, as outlined below:



Source: Wavehill analysis of S4C press releases

2.2 Budget changes

S4C's latest funding arrangement, in operation from April 2022, secured funding for the public service broadcaster (PSB) until March 2028, under a new structure which would see all of S4C's public funding from the licence fee.

The arrangement meant that for the first two years (2022/23 and 2023/24), S4C's budget would remain fixed, in cash terms, before rising annually with the consumer price index (CPI).

Based on Office for National Statistics (ONS) inflation statistics, for the first two years of the funding arrangement, inflation levels were equal to 11.5%. However, for the 2024/25 year (when S4C's budget would start to rise with the CPI again), S4C's budget increased by 6.7%, **leaving a real-term shortfall in licence fee income**, as seen in table 2.1 below.

Table 2.1: S4C licence fee income in cash and real terms

	S4C's licence fee income		
	2022/23	2023/24	2024/25
Cash terms	£88.9m	£88.9m	£94.8m
Real terms (2024/25 price levels)	£98.8m	£92.4m	£94.8m

Source: Office for National Statistics GDP deflators and S4C licence fee income

In addition to budgetary challenges faced by S4C, rising inflation and an increase in employers' national insurance have caused the cost of producing content to grow at a higher rate over the past five years.

Responding to these challenges, S4C has implemented several measures to improve its efficiency. As outlined in our previous impact report, moving S4C's headquarters to Yr Egin in Carmarthen and co-locating technical services with BBC Cymru Wales has enabled energy and administration cost savings. Furthermore, S4C has generated some efficiencies in the production process, by continuously working in partnership with the independent production sector to commission content over a longer time period; this helps companies to adopt new technologies, and enables collaboration between several production companies.

2.3 Digital transformation

S4C continues to develop its digital offer, to ensure it can maximise the reach of the commissioned content. A milestone development in this space has been the passing of the Media Act (2024), which sought to update media regulations in response to changing landscapes. In relation to S4C's impact, one of the Act's main implications concerns changes to the prominence of PSBs on connected TV platforms such as Apple TV, Amazon Firesticks and Smart TVs; this requires platforms to make them easily available and discoverable.

In response to shifting audience preferences, S4C has implemented several accessibility changes to its streaming platform Clic, such as live rewinds and the inclusion of digital advertisements. The broadcaster has also expanded its reach by joining the Smart TV app Freely, alongside the BBC, ITV, Channel 4 and Channel 5. S4C has already begun to see the successes of some of its digital transformations: the drama series Cleddau now receives over half of its viewership through iPlayer on-demand viewings – a first for S4C.

These changes to the media landscape affect both the production and consumption of the content commissioned by S4C. Thus, they play an ever-growing role in determining how S4C can have a positive social and economic impact in Wales.

3. The economic impact of S4C in 2024/25

Measuring S4C's economic impact extends beyond its role as an organisation; this assessment also accounts for the funding it circulates through its supply chains, and the wider spending that it can generate.

This chapter seeks to quantify the economic impact of S4C's activities for the 2024/25 financial year, and compares it to the baseline established in our 2022/23 impact report.

3.1 Assessing the economic impact

There are several avenues through which S4C generates economic value, as presented in Figure 3.1. Two of the most prominent routes of impact are directly through its broadcasting activities, and indirectly through the content and other services it commissions from the independent production sector and other suppliers. Furthermore, the broader spend into the supply chain, through staff salaries and supplier spending, also counts as part of S4C's wider economic footprint.

Since our previous assessment (2022/23), S4C has launched the Commercial Growth and Content Funds: new funds that will invest in creative sector businesses and productions that demonstrate growth potential and align with S4C's long-term strategic aims. The operation of both Funds – including their management, spend, and direct employment – is incorporated within the core economic modelling presented in this report (see section 3.5). A separate assessment (section 3.6) presents the wider economic contributions of the businesses and projects supported by the fund, as well as other S4C investments; including a performance and economic impact contribution analysis of the companies and activities within the broader economy.

Note: Our previous study quantified the impact of visitors to S4C's headquarters at Yr Egin; this strand has been scoped out of the current study due to its comparatively small economic impact.

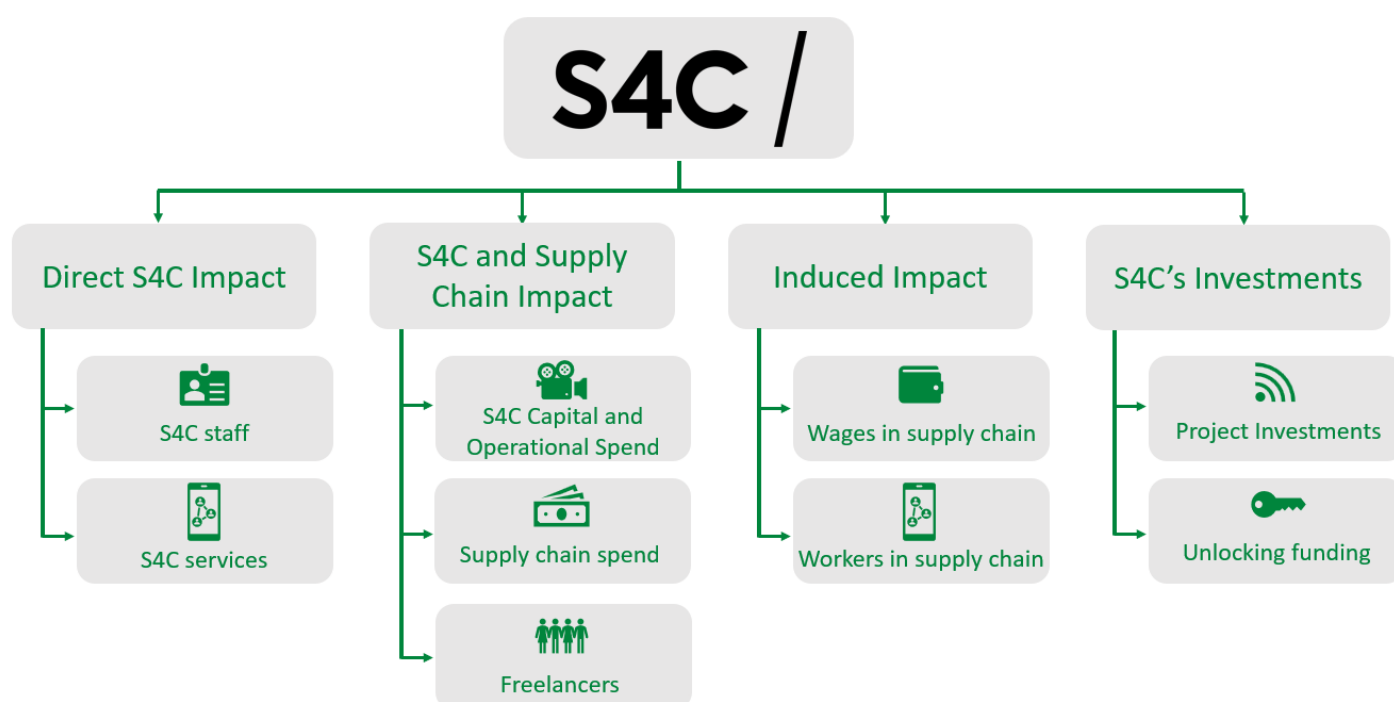
Defining impact

When discussing economic impact, this study has estimated the effect of S4C's 2024/25 activities in terms of³:

- **Employment supported:** number of FTE jobs required to deliver S4C's activities and meet its demand for goods and services; and
- **GVA:** a measure of the value generated from the activities leading to the production of a good or service.

³ Please see Appendix B for detailed assessment methodology and limitations.

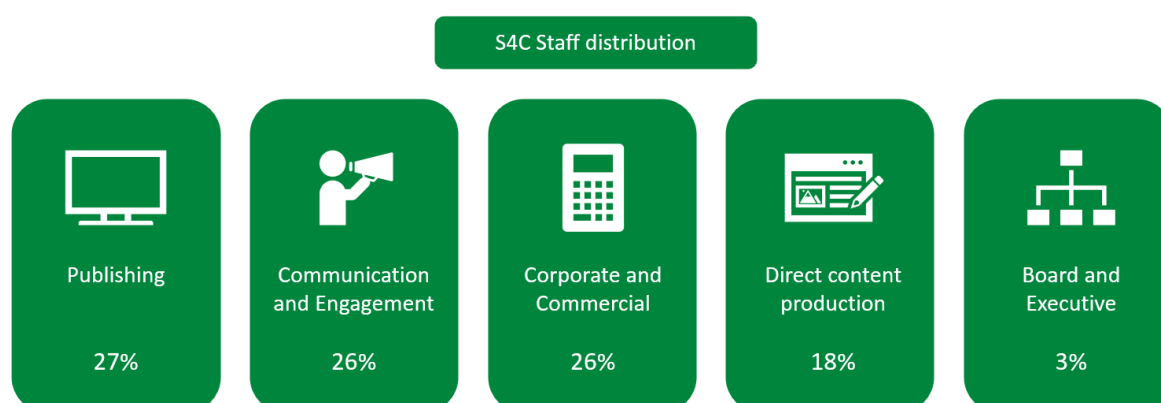
Figure 3.1: The scope of S4C's economic impact



3.2 S4C's direct value

During 2024/25, S4C employed 163 individuals, equivalent to 128 FTE staff in Wales and 5 outside Wales – a rise of 9 and 3.5 FTEs respectively, compared to 2022/23. 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 journalists to produce material for its online news platform, Newyddion S4C.

Figure 3.2: Breakdown of S4C staff roles



Source: Wavehill analysis of S4C 2024/25 staffing data

Based on the S4C's financial accounts, during the 2024/25 financial year, the broadcaster generated an estimated £8.8m in GVA across Wales, rising to £9.1m for the UK.

3.3 S4C and supply chain expenditure

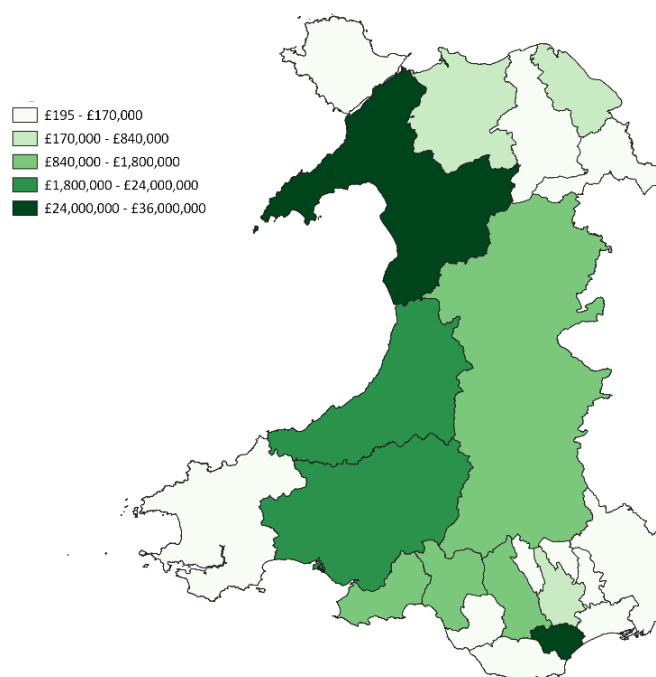
Based on data shared by S4C, the broadcaster spent over £107.7m on its suppliers (including freelancers) in the 2024/25 financial year:

- over three out of every four pounds (£82.2m in total) were spent on businesses with headquarters in Wales or freelancers that were based in Wales; and
- of the remaining £25.5m, 32% of purchased services and/or goods were from organisations that have an office and staff presence in Wales.

Of the £82.2m that went to Welsh businesses, freelancers and organisations, 57% (or £46.8m) was spent outside Cardiff, five percentage points higher than in 2022/23 (52%).

S4C's expenditure in Wales was concentrated mostly in three local authorities: Cardiff (43% of Wales-only spend), Gwynedd (30%), and Carmarthenshire (16%) (see Figure 3.3 for geographical distribution of S4C's expenditure). This aligns with Wales's three largest clusters of media production and its three largest producers in that year: Boom, Rondo and Tinopolis.

Figure 3.3: Distribution of S4C expenditure in Wales by local authority



Source: Wavehill analysis of S4C 2024/25 expenditure data

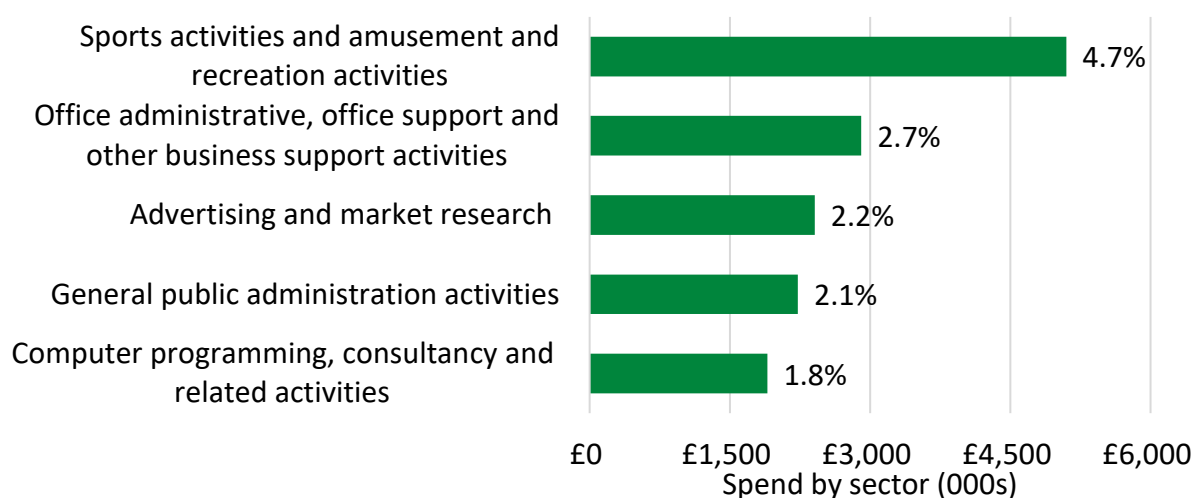
It is important to caveat that these maps are based on S4C's expenditure data and the location of company headquarters, meaning that spend in some areas appears lower than the true level. For instance, there are several large production companies based in Gwynedd that employ staff and use facilities in Anglesey, which suggests that our map underestimates

expenditure in Anglesey. Without accurate company-level data, we are unable to pinpoint the spend more precisely.

3.3.1 Sectoral distribution of supply chain expenditure

While expenditure in the film, TV, radio and music sub-sector⁴ constituted 81% of S4C's total spending, **the broadcaster engaged with 1,190 suppliers across 58 distinct sectors in 2024/25** – 213 and 11 more suppliers and sectors, respectively, than in 2022/23. Figure 3.4 below outlines the sectors outside 'Film, TV, radio and music' that received over £1m in S4C's expenditure, as a proportion S4C's total spend in the 2024/25 financial year.

Figure 3.4: S4C expenditure by sector excluding film, TV, radio and music



Source: Wavehill analysis of S4C 2024/25 expenditure data

3.3.2 Economic value of supply chain expenditure

As a broadcaster, S4C commissions content made by independent media companies. These companies then employ staff, hire freelancers, and buy goods and services from other businesses to get the work done. This means that every pound S4C spends will support jobs and businesses beyond just the ones it directly pays, thereby creating a ripple effect that benefits the wider economy.

In total, supply chain expenditure over the 2024/25 financial year is estimated to have supported roughly 1,800 FTE jobs and contributed £106.5m in GVA across Wales's economy, rising to 1,900 FTE jobs and £114.7m in GVA at the UK level.

Notably, **95% and 93% of the employment and GVA impacts, respectively, were retained within Wales**; this highlights S4C's role as an anchor institution for Wales's media production sector and its wider supply chains.

⁴ This sub-sector includes the businesses with the standard industrial classification (SIC) codes 59 and 60.

In 2024/25, S4C's direct value and supply chain expenditure within Wales's film, TV, radio, and music sub-sector contributed an estimated £61.5m in GVA. **This represents approximately 15.1% of the total GVA generated by the sub-sector in Wales in 2023.**

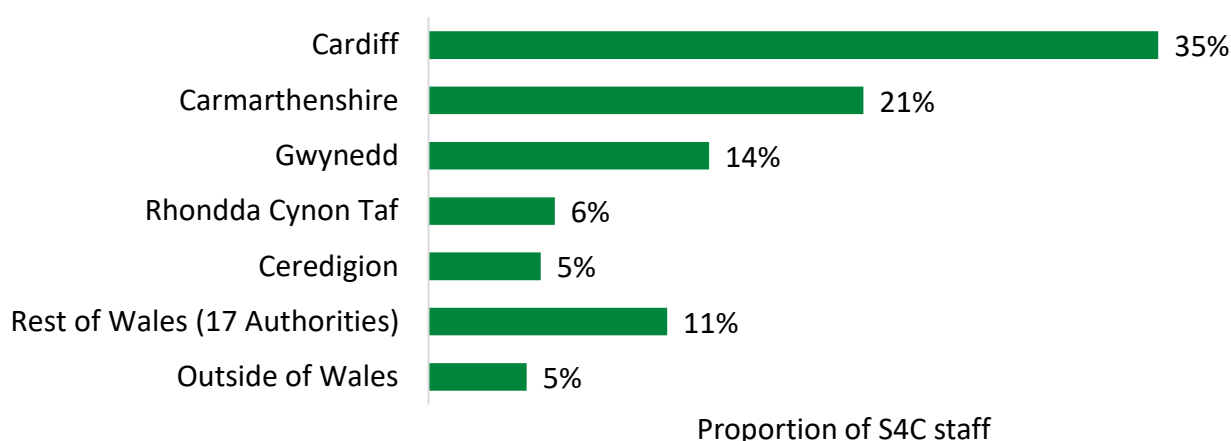
3.4 The effect of salaries

Disposable income, generated by salaries paid to S4C and its supply chain's workers, is spent in the economy – on essentials such as housing, food and clothing, as well as other goods and services that support additional economic activity.

It is estimated that this additional effect supported 570 FTE jobs and contributed £35.0m in GVA in Wales, rising to 600 FTE jobs and £37.4m in GVA across the UK, in the 2024/25 financial year.

As well as the economic benefits driven by staff spending, S4C is able to create a social benefit by providing good-quality employment to its staff across Wales; this allows many to work through the medium of Welsh in an area of their choosing. The graph below shows that staff are well distributed across Wales.

Figure 3.5: Geographic distribution of S4C staff by local authority



Source: Wavehill analysis of S4C 2024/25 staffing data

3.5 Total economic impact of S4C's activities in 2024/25

S4C is an anchor institution for Wales's creative industries, creating a positive economic impact for a wide range of sectors and industries. Through its operations, employment, commissioning and strategic investments, S4C is able to induce significant activity across the Welsh and UK economies.

In total, it is estimated that S4C's activities in 2024/25 supported just over 2,500 FTE jobs and contributed £150.3m in GVA in Wales, rising to 2,630 and £161.3m respectively across the UK. This implies that:

- for every direct job at S4C, a further 18.5 and 18.9 FTE jobs were supported in Wales and the UK respectively⁵; and
- S4C's total GVA contribution of £150.3m to the Welsh economy is equivalent to 0.2% of Wales's total GVA.

Table 3.1: Summary of S4C's total economic impact in the 2024/25 financial year⁶

	Wales		UK	
	GVA (£m)	FTE jobs	GVA (£m)	FTE jobs
S4C's Direct Value	£8.8	130	£9.1	130
S4C and Supply Chain Expenditure	£106.5	1,800	£114.7	1,900
Effect of Salaries	£35.0	570	£37.4	600
Total	£150.3	2,500	£161.3	2,600

Source: Wavehill modelling of S4C's 2024/25 expenditure data

3.5.1 Changes since 2022/23

As outlined in section 2.2, due to the combination of a cash-fixed budget for two years and a comparatively large rise in inflation over the same time period, S4C's licence fee income dropped in real terms by 6.5% between the 2022/23 and 2024/25 financial years. Over this time period, S4C also increased its employee count by 12.5 FTE jobs.

In terms of S4C's expenditure, there has been a 5 percentage point increase in the amount of its spend within Wales going to businesses outside Cardiff; this demonstrates S4C's commitment to maximise the benefit it offers to all of Wales.

Table 3.2 shows that when adjusting 2022/23 figures to account for inflation, S4C's GVA impact has decreased marginally, while the number of jobs it has supported has increased. The slight reduction in GVA can be explained primarily by the budgetary and inflation challenges outlined above. The increased jobs supported can be attributed to the sectoral distribution in expenditure – there has been a higher level of spending in sectors such as 'administrative and support activities', 'public administration' and 'creative arts and entertainment' (see Figure 3.5), which are more 'jobs intensive': in other words, they require a lower level of turnover to create a new job. Higher expenditure going to the industries has therefore increased the number of jobs supported by S4C's expenditure.

Table 3.2: Comparison of S4C's economic impact adjusted for inflation

Wales wide Impact	2024/25 year	2022/23 year
GVA (2024/25 price levels)	£150.3m	£150.7m
FTE equivalent jobs	2,500	2,130

Source: Wavehill modelling of S4C's 2024/25 and 2022/23 expenditure data adjusted for inflation

⁵ Total FTE jobs supported by S4C's 2024/25 activities (minus Direct S4C FTE jobs) as a share of Direct S4C FTEs

⁶ Note: Figures have been rounded; as such they may not sum to the total values presented in the table above.

3.5.2 Value for money

Despite rising costs and stagnating budgets, S4C continues to be one of the most cost-efficient PSBs in the UK. Similar to our findings from the 2022/23 study, case study consultations with production companies (see Chapter 5) show that S4C continues to commission at a significantly lower cost per hour than other broadcasters: typically 25–33% of the genre rates of other broadcasters⁷.

S4C also delivers good value for money in terms of its return on investment. With a licence fee income of £94.8m, **S4C generated £1.59 of GVA in Wales and £1.70 of GVA in the UK for every £1 of licence fee income received.** These figures reflect the higher proportion of spending made by S4C in Wales since 2022/23, when it generated £1.53 of GVA in Wales, but show a slightly lower return across the UK (£1.77 of GVA).

To ensure comparability between the figures presented here and our previous impact report for 2022/23, we have used the same input–output (IO) model with the same underlying assumptions about the Welsh and UK economies. However, the ONS has released updated results from its annual business survey for 2023 (used to determine the economic value created for every £1 spent in a given sector). When using these new assumptions, we find that in 2024/25, S4C generated £1.37 of GVA in Wales, and £1.49 in the UK, for every £1 of licence fee income.

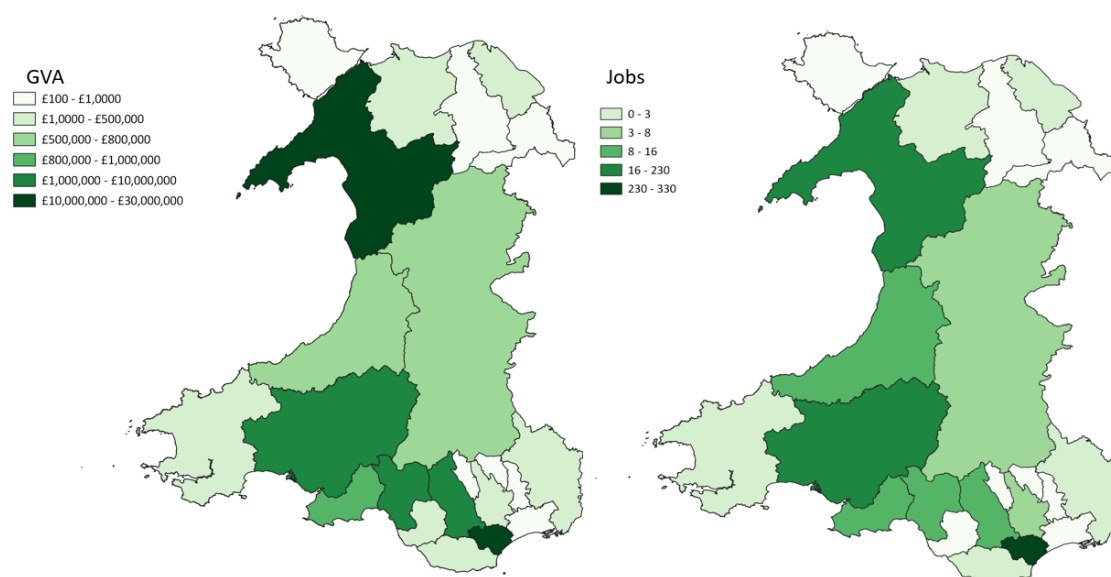
3.5.3 Regional and local economic impact

Our previous report found that S4C played a key role in boosting productivity across parts of Wales by supporting high-quality employment outside Cardiff. This work is done both directly and indirectly, through the relocation of S4C’s headquarters, and through supporting independent media production clusters across Wales. As noted in section 3.3, in 2024/25, S4C has increased the proportion of its Welsh expenditure outside Cardiff by five percentage points when compared with our previous study. **Accounting for direct GVA and jobs only in Wales, S4C contributed £29.2m in GVA and nearly 490 FTE jobs outside Cardiff.**

As discussed in earlier sections, S4C’s expenditure in 2024/25 has led to a more geographically diverse distribution of economic activity and impact, compared to our previous impact study. The majority of S4C’s total impact is attributed to its suppliers and supply chain, accounting for 72% of the supported FTE jobs and 70% of GVA generated. The following two maps illustrate the geographic distribution of this expenditure impact.

⁷ This finding is based on interviews conducted with production companies to inform this report. These figures were similar to those reported by production companies interviewed for our previous impact report in 2022/23.

Figure 3.6: GVA and jobs supported by direct suppliers to S4C in Wales



Source: Wavehill modelling of S4C's 2024/24 expenditure data

3.6 Impact of S4C's commercial investments

Over the past five years, S4C Masnachol has made strategic equity investments in businesses and initiatives that demonstrate a strong growth potential and can bring added value to Wales's creative industries. S4C has reinforced this new investment ethos through the launch of the Commercial Growth and Content Funds in October 2023.

The following section outlines the economic impact of a series of investments that were considered within the scope of this assessment, based on the scale of investment, timing, and the likelihood of observable impact to date.

3.6.1 Aria Studios – A creative catalyst for North Wales

In summer 2022, S4C Masnachol invested £450,000 in Aria Studios, partnering with Creative Wales and Rondo Media to stimulate TV and film production in North Wales – an area historically underserved by the screen sector.

A 2024/25 social impact study by Aria Studios found that productions hosted at the site – including a major US feature film, new work by Rondo Media, and the independent film Mojo – generated over £1m in local economic impact. These productions supported 344 freelance roles in total (158 on the US feature, 136 with Rondo Media, and 50 on Mojo).

Local suppliers also benefited directly: one set-building company secured over £100,000 in new business, enabling it to employ five local craftsmen, while a regional security firm earned £30,000 from supporting studio operations.

Aria's contribution far exceeds economic returns. Recent productions have provided four apprenticeships, six paid placements, and mentoring for 11 individuals to progress into more senior roles within the industry.

The studio has also prioritised inclusive engagement, hosting 25 workshops for more than 1,000 pupils from local primary and secondary schools, and welcoming over 345 further and higher education students through tours and industry-focused training.

Through partnerships with organisations such as the Open Door Scheme, the Iris Prize and GISDA, Aria has actively expanded access to the creative industries for underrepresented groups, young people, and emerging talent.

On its sustainability commitments, in addition to achieving the BAFTA Studio Sustainability Standard, Aria has donated clothing, props and materials to local charities, schools, and community groups across Anglesey.

3.6.2 Impact of the Commercial Content Fund

Launched in October 2023, S4C's Commercial Content Fund (CCF) was established to support high-quality, commercially viable productions led by Welsh companies. The fund provides a mix of production equity, cashflow loans and development support, to help unlock co-financing, accelerate delivery, and generate long-term financial and cultural returns.

Since launching, **the Fund has invested approximately £1.6m across seven productions and scripted developments. These investments have helped unlock an estimated £3.2m in total production value, representing a leverage ratio of 1:2.**

The fund has supported a diverse slate of genres – including children's animation, premium factual, live-action drama, and feature film – with a strong emphasis on retaining production spend in Wales and supporting local talent and suppliers:

- **Tiny Buds / Egin Bach** – A children's animation and live-action hybrid produced in Wales and broadcast on S4C and ITV in May 2025. CCF investment unlocked long-delayed financing, and enabled the producer to develop a companion app supported by Creative Wales R&D funding.
- **Hafiach** – A young adult drama that premiered on S4C in June 2025. The fund's support demonstrated commercial potential, by securing additional public investment and a distribution deal. The distributor has since engaged with further titles from the same producer.
- **The Peace Particle** – A premium science documentary delivered in multiple versions (S4C, Arte). CCF investment enabled international collaboration and helped the production reach the scale required to unlock tax credits and co-finance.
- **Effie** – A feature film filmed and delivered in 2025, with a majority-Welsh crew and suppliers. CCF provided cashflow finance against the UK tax credit to enable production.
- **Rhiannon – The Celts, Murder by the Book, and Isolation** – Three drama developments supported through script funding, international packaging, and co-

production introductions. These projects aim to secure further finance and raise the profile of Welsh storytelling on the global stage.

Across all projects, the CCF has helped to close financing gaps, demonstrate market confidence, and catalyse further investment. A high proportion of production spend has been retained in Wales, thus supporting local businesses, jobs, and IP development.

In terms of economic impact, this production funding generated an estimated £4.7m in GVA, and supported 70 FTE jobs in Wales through direct production and associated supply chain activity. Across the UK, this rises to £6.1m in GVA and 80 FTE jobs. In addition, salary spend from these activities generated a further £1.0m in induced GVA and supported an estimated 10 FTE jobs in Wales.

These findings underline the CCF's effectiveness in attracting external finance and delivering meaningful economic impact; this demonstrates the value of S4C's strategic interventions in supporting both content production and sector growth in Wales.

3.6.3 Kubos – Pioneering Sustainable Micro LED Technology

Established in 2017, Kubos is developing next-generation materials to support brighter, more energy-efficient microLED displays. Its aim is to develop efficient, full-colour displays for emerging technologies such as augmented reality displays, wearable devices, and advanced lighting. Modelling by the Carbon Trust suggests that the global adoption of this technology could save up to 100 million tonnes of carbon emissions, compared with conventional LEDs.

In 2024, Kubos secured a £1.6m investment round, led by the Development Bank of Wales and matched by Innovate UK and private investors. S4C contributed £250,000 through its Commercial Growth Fund – funding that the company says was vital to completing the round. Without it, the development of the technology may have stalled at a critical stage.

Now headquartered in Cambridge with a growing technical team based in Cardiff, Kubos employs five full-time staff and one part-time academic in Wales. Approximately 51% of its project spend is retained in the region, thus supporting Welsh suppliers and strengthening the local semiconductor ecosystem.

To date, the investment is estimated to have contributed £0.8m in GVA and supported 16 jobs in Wales, and £1.5m in GVA and 30 jobs across the UK. With a sample order already secured, the company aims to launch a minimum viable product by 2026, and to expand its team as it scales up.

3.7 S4C's digital transformation project

In 2024, S4C launched Transforming S4C's Digital Future, a major research and innovation project supported by £350,000 from Media Cymru and matched by S4C, bringing the total investment to £700,000. Shaped in part by the Media Act 2024, the project aims to ensure that Welsh-language content remains visible and accessible in a fast-changing digital media landscape.

Delivered in partnership with Triple Crown Consulting and Tierney Consulting, and supported by significant in-house expertise, the project will generate a new audience and distribution strategy for S4C. It responds to concerns raised about the declining discoverability of Welsh-language content in the digital world.

Key activities include mapping current and future audiences, evaluating digital distribution platforms, and developing technical roadmaps for app development and third-party integrations. The project also explores new partnerships and licensing models to expand S4C's reach in Wales, the UK, and internationally.

The R&D phase alone is expected to generate a positive economic contribution to the Welsh economy, with an estimated £0.9m in GVA and 15 FTE jobs supported.

3.8 Public sector benefits

Given the variety of routes through which S4C spends its budget, and prompts its suppliers and staff to also spend into the economy, there are various avenues through which S4C contributes to public finances:

- **Employment taxes:** Including S4C employees and jobs supported along its supply chain (including freelancers), generated income tax, and National Insurance contributions – estimated to total £18.7m.
- **Supplier and supply chain taxes:** S4C's investments and commissioning activities stimulate economic activity amongst its suppliers, production companies and indirect supply chains; this results in additional tax contributions in VAT, corporation tax, business rates and other taxes (i.e. import taxes) – estimated to have generated £61.5m.
- **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 £17.4m in total.

In total, **it has been estimated that S4C's activities in 2024/25 generated £97.7 in tax⁸. This equates to £1.03 of tax being returned to HM Treasury** in the form of direct or indirect taxation, for every £1 of licence fee income received by S4C in 2024/25. This is slightly lower than the inflation-adjusted figure for 2022/23, which showed S4C's activities returning £1.04 in tax for every £1 of licence fee income. This implies that S4C's fiscal contribution not only covers its licence fee income, but also generates additional income for the Government, which in turn bolsters the broader UK economy.

⁸ Due to data limitations, these estimates do not include corporation and business rate taxes paid by businesses created and supported by S4C's supply chain spend. Other indirect taxes (including employer's National Insurance) have not been estimated, meaning that the figures presented are conservative estimates.

4. Social and wider footprint of S4C

While the previous chapter sought to quantify S4C's economic contributions, the broadcaster's positive influence and impact extends far beyond what can be quantified in terms of jobs and GVA.

The 2022/23 impact study examined many of S4C's wider social and economic contributions, most of which continue to be realised. As such, this chapter will summarise the themes examined in our previous report, and broaden this assessment to incorporate the effects of S4C's activities since 2022/23.

4.1 Talent and skills development

One of the key themes from our previous study was the role that S4C often plays as a first step for many creative industry workers in their careers, by allowing both on- and off-camera workers to refine their skills and talent through their day-to-day work.

In addition to on-the-job skills development, **S4C funding directly supports several training and awareness-raising initiatives across the creative industries, which create pathways to enter the sector, and support upskilling once within it.**

The skills-support initiatives funded by S4C aim to identify development opportunities across Wales's independent production sector, to ensure it can continue to thrive. This support is delivered by a variety of organisations, such as Teledwyr Annibynnol Cymru, Screen Alliance Wales, Careers Wales, RAD Cymru, and others. Examples of courses include:

- Support for specific content or genres: Including industry placements with specific programming genres, courses on working with archival footage, and acquiring music rights.
- Support for working with specific groups: Including child safety, staff mental health management, and on-set health and safety.
- Support for project and production management: Including managing copyright, public speaking, and engaging with new potential funding streams.

S4C's initiatives often complement other programmes across Wales, such as the Welsh Government's Creative Skills Action Plan, to ensure the sector moves in the same strategic direction and is able to remain sustainable and competitive. These opportunities also enable many to work through the medium of Welsh in their home communities.

Case Study: Screen Alliance Wales

Since March 2020, S4C has been supporting Screen Alliance Wales (SAW), a not-for-profit organisation dedicated to promoting Wales as a prime location for film and TV production. Their partnership has focused on expanding the reach of Welsh language media, and helps to promote Wales nationally and internationally.

SAW has been proactive in engaging both Welsh and English-language schools in sector awareness activities; this highlights the benefits of Welsh as a pathway into the media industry and showcases how much of the production process takes place in Wales. By engaging with schools and young people, SAW seeks to support diversity in the Welsh-language sector – a goal shared by S4C.

S4C also makes an annual contribution to SAW, much of which supports events such as Sinemaes at the National Eisteddfod. In 2024, Sinemaes engaged over 2,000 people with a dynamic programme of workshops, talks and screenings, to offer a taste of what it's like to work in the Welsh media and film industry. The impact of Sinemaes has been significant, in terms of **providing a platform for various broadcasters and media projects, and unlocking further funding from businesses seeking to use the Sinemaes space.**

Recently, funding from Channel 4 has supported SAW to deliver the 4Schools project. This initiative informs and inspires pupils aged 11–16 about the variety of careers available in TV and broadcasting. Looking ahead, **SAW is working with S4C to deliver a Welsh-language version of 4Schools**, ensuring that the Welsh language remains at the heart of Wales's creative future.

Case Study: It's My Shout

It's My Shout is an independent media production company that encourages people from disadvantaged and socially deprived backgrounds to engage in the creative industries. **Since 2013, S4C has provided both financial and advisory support to It's My Shout**, such as offering guidance on potential executive producers for its productions. The funding partially supports staff, mentors, post-production, location fees, equipment and travel for one project.

In recent years, It's My Shout has worked with people to create two dramas and two documentaries a year, as well as several short films in both English and Welsh. The productions are used as an initial platform for working-class people interested in film, allowing them to develop the skills and experience to enter the screen sector. **Training and upskilling is embedded within their productions, achieved mainly by providing mentors to help people develop and grow confidence in their skills.** In the past year, It's My Shout has supported young people in developing soft and hard skills within the creative sector; it has also worked with unemployed people and refugees, to develop their skills and find routes into further paid work.

It's My Shout facilitates strong links between commissioners such as S4C and local communities; this ensures that communities have as much input as possible in the production which is inevitably broadcast. **It's My Shout focuses on forming long-term connections with communities across Wales through its ambassadors:** individuals who have worked on It's My Shout productions go on to highlight future work and training opportunities within their communities. It's My Shout alumni have progressed to both production and commission roles within Wales's screen sector, thus helping to improve representation within the wider industry.

Case Study: Hansh Dim Sbin

The Digital Journalist Training Scheme for Welsh journalists is a collaborative partnership between S4C and ITV Cymru; it gives two Welsh journalists the opportunity to work in current affairs and social media for Hansh's news platform 'Dim Sbin'. The scheme's annual funding **from S4C is used to target individuals who may not have followed traditional journalism career pathways**, and equips them with the skills to continue in their career. This plays a critical role in developing a pipeline of Welsh-language journalists, and provides opportunities for under-represented groups within the field.

What sets the traineeship apart is its exclusive focus on digital journalism; this helps to spread awareness, develop knowledge, and highlights the need for digitally focused skills-based traineeships as a response to shifting media consumption habits – especially among younger audiences.

Graduates from the scheme have successfully transitioned into roles at ITV, the BBC, and Newyddion S4C; or they have moved into digital content creation, thus ensuring that their skills continue to benefit the wider Welsh creative industries.

The Hansh Dim Sbin platform has significantly increased the visibility and normalisation of Welsh-language news on social media. Through bilingual content on Instagram and Welsh-subtitled videos on TikTok, the platform has improved engagement and accessibility for younger audiences, expanding the inclusivity and relevance of Welsh content in digital spaces.

Hansh Dim Sbin has grown to become the largest Welsh-language news platform on TikTok, with over 10,000 followers across TikTok and Instagram. Content created by the most recent trainees has amassed nearly 600,000 views; this demonstrates significant engagement with S4C-funded digital content, which reaches audiences who may not have previously interacted with Welsh-language media.

4.2 Representation and community engagement

S4C is committed to representing Wales and the Welsh language in its entirety; this has involved creating programming and supporting organisations that reflect the contemporary use of the Welsh language across the entire range of people, communities and geographies.

Our previous study highlighted that S4C played a strong role in sharing narratives and a sense of national pride and community: most prominently, in S4C's coverage of national sporting events and the National and Urdd Eisteddfod, which offered a positive view of Welsh culture. However, this has also been achieved through S4C's expansion into digital media – thus reaching new audiences, and reflecting how the Welsh language is used day-to-day by different communities.

S4C continues to grow as a publisher of multi-platform content, **with an 89% increase in followers, a 129% rise in engagements, and 18 times the number of viewing sessions across its social media platforms in the previous year⁹**. This growth in engagement has been driven by an increase in the amount of content produced, with S4C commissioning 123 hours of digital content in 2024/25, compared to 56 hours in 2023/24.

Our previous study also found that S4C's programming and content played an important role in elevating the profiles of many community initiatives, events and groups. More directly, S4C has supported a variety of organisations to boost the visibility of the Welsh language that is being used in certain spaces, and ensuring that their programming can be as reflective as possible of contemporary Wales.

Below are some case studies from organisations that work together with S4C to ensure better representation of the Welsh language:

Case Study: Iris Film Festival

Established in 2006, the Iris Film Festival is a celebration of LGBTQ+ film-based storytelling, held in Cardiff. **Each year, Iris awards the largest short film prize in the world**, and showcases underrepresented voices through its UK-wide tour, 'Iris Ar Grwydr' (Iris on the Move), as well as at international screenings. Honouring its commitment to reflect diversity in Wales, **the recent Iris Ar Grwydr tour was sponsored by S4C; this has helped Iris to extend its national footprint and advance Welsh-language LGBTQ+ representation through film.**

In 2024, the Iris Ar Grwydr tour visited 21 venues across the UK, **screening a selection of LGBTQ+ short films – including Teth, a Welsh-language trans comedy commissioned by S4C.** Teth is a powerful and humorous exploration of trans identity and relationships, spotlighting gender diversity within Wales. The film's use of Welsh dialogue plays a vital role in making queer narratives more visible and relatable within Welsh-speaking communities, and affirms that LGBTQ+ identities are an integral part of all cultural and linguistic contexts. Importantly, representing queer experiences using the Welsh language validates personal identities and experiences.

S4C's support also helped the festival to secure BBFC age ratings for the films – an essential requirement for screening in most UK cinemas. This not only expanded the reach and accessibility of the films premiered at Iris, but also elevated the visibility of Welsh-

⁹ S4C data comparing the 2024/25 and 2023/24 years for YouTube, Facebook, X, Instagram and TikTok.

language media in mainstream exhibition spaces beyond the Welsh-language sphere. The organisers of Iris Film Festival noted that the professionalism underpinning the tour, bolstered in part by S4C's funding, has led to increased interest from cinemas and cultural venues seeking to host future screenings.

Case Study: Accessible Futures Summit

The Accessible Futures Summit was a one-day long event at the Royal Welsh College for Music and Drama, hosted by the University of South Wales in September 2024. Funded by Creative Wales, Media Cymru, Teledwyr Annibynnol Cymru (TAC) and S4C, **the event aimed to highlight positive accessibility case studies within the screen sector, as well as spread awareness of the work that needs to be done to ensure the sector is truly inclusive.**

Recognising the lack of senior roles held by those with a long-term health condition or disability in the film and TV sector, **S4C sponsored the event with a donation, which was allocated to diversifying the panellists and workshops on the day.**

The event was led by and featured deaf, disabled and neurodiverse speakers presenting to academic and industry leaders within the screen sector. This enabled conversations about the diverse lived experiences of those with additional needs in the screen sector. Furthermore, the summit strengthened the networks of key organisations focused on equal access and disability, such as Disability Arts Cymru, It's My Shout, and Creative Access.

The event was well attended; it was ensured that **nearly 200 attendees could be accommodated on the day, including people from production companies, universities, charity organisations, and the cast, crew and talent** themselves. Due to the complex needs of some attendees and speakers, the sponsorships ensured that an adequate number of British Sign Language interpreters, and simultaneous live captioning, were integrated within talks and sessions.

Case Study: Culture Connect

The Culture Connect Wales (CCW) project, **led by Watch Africa CIC, is designed to connect people from ethnic minority backgrounds with the film and TV sector in Wales.** By building relationships with broadcasters and raising awareness of industry career pathways, CCW aims to break down barriers for underrepresented talent.

Over the past four years, **S4C has been a key funder of the project, alongside Channel 4, ITV, BBC, and Creative Wales.** Funding has enabled CCW to deliver a variety of operational activities and staffing roles, which help people to access opportunities and increase representation in the industry. **Activities include commissioning events, workshops and focus groups with broadcasters, career fairs, outreach work with schools and community groups, mentoring, and content creation challenges.** The funding from S4C also supports the management of CCW's website, advertising roles, and communicating the project's work within the industry.

CCW's work has enabled people to gain employment in Wales's screen industry by providing experiences of productions through placements, to develop talent locally within Wales. CCW has developed connections with a wide range of community groups across Wales, which has led to a more authentic and diverse representation of lived experiences in the content being commissioned and produced in Wales. This extends to Welsh-language media, where **CCW actively promotes opportunities for Welsh-speakers from minority ethnic backgrounds**. This dual focus makes the industry more inclusive towards both Welsh and non-Welsh speakers.

In addition, **CCW helps to address skills gaps in the sector by working with industry training providers**, including those affiliated with S4C, in order to deliver targeted training opportunities, and identify individuals who would benefit from other training opportunities.

4.3 Welsh language and educational impact

Although S4C has always played an essential role in promoting and showcasing the Welsh language throughout its 43-year history, it has not been an explicit part of its strategy until recently. Following the implementation of a new memorandum of understanding between S4C and the Welsh Government's Cymraeg 2050 in February 2023, the broadcaster has taken more deliberate steps to support Welsh-language learning and intergenerational transmission through commissioning targeted content.

Since our last report, **S4C has formed a 'Social Purpose Team' that comprises key appointments including the Welsh Language Strategy Lead, and the Education, Diversity and Welsh Language Manager**. This has helped focus S4C's contribution to education by supporting the creation of content that supports the curriculum in Wales. This involves producing entertaining and educational content for children and young people, as well as content to support new Welsh-speakers regardless of age.

In addition, S4C has partnered with other organisations in the Welsh education space, such as the Canolfan Dysgu Cymraeg, and the Welsh Government's new arms-length body responsible for coordinating educational resources: Adnodd.

Case Study: Adnodd

Adnodd oversees the coordination and provision of educational resources that support the Curriculum for Wales. Adnodd commissions resources from content creators, educators and families, while ensuring that all materials are accessible, inclusive, and available in both Welsh and English.

Adnodd has a strategic partnership with S4C, underpinned by a shared commitment to amplifying Welsh-language content. S4C and Adnodd meet regularly to explore commissioning opportunities, with a particular focus on programmes that offer clear educational value and cross-curricular relevance in subjects such as science, history, geography, and the arts.

A recent example includes Pwy, Sut, Pam, a Welsh-language science show on S4C. **Working with Adnodd, clips from the show were edited into short, easily digestible clips tailored to the target audience of 8–14-year-olds, made available through HWB,** the Welsh Government’s online learning platform. S4C maintains a channel on HWB which serves as a repository of classroom resources for a variety of subjects and age groups.

Moving forward, Adnodd is keen to continue its strategic cooperation with S4C, working to identify S4C content that could be expanded to work as educational resources. With support from S4C, as well as other broadcasters and organisations, Adnodd aims to continue enhancing the accessibility and relevance of bilingual educational materials for learners and educators across Wales.

5. Impact of programming

This chapter presents case studies that outline the economic and social impacts from some of S4C's most prominent programmes from 2024/25. The case studies were written based on testimony and data shared by the four production companies behind the programmes.

5.1 Y Llais

Y Llais is a large-scale entertainment show produced by Boom Cymru for S4C, and the 75th iteration of ITV Studios' global hit talent format, The Voice. The show includes Sir Bryn Terfel, Aleighcia Scott, Bronwen Lewis and Yws Gwynedd as four coaches who judge the performers and guide them through the series. Y Llais was one of the largest-scale entertainment programmes commissioned by S4C in recent memory, with a production schedule spanning approximately 50 weeks from initial auditions to final broadcast.

The production of Y Llais has led to positive economic impacts across a wide range of Welsh regions. The process, which started with audition events, involved an extensive marketing campaign and auditions in Caernarfon and Cardiff. The Blind Auditions, Semi-finals and Finals were filmed at Dragon Studios near Bridgend; the Callbacks and Masterclasses in Cardiff and Monmouthshire. The contestants' backstories were filmed across North, Mid, West, East and South Wales, and reflected the diversity of singing talent from all over the country. Boom was able to make extensive use of local suppliers for acoustics, set design, lighting, catering, and health and safety, which ensured that many economic benefits were retained in Wales.

Based on Wavehill's economic impact modelling, when accounting for the direct spend and the subsequent supply chain and salary impacts, **the production of Y Llais is estimated to have made a significant economic contribution, totalling £3.3m in GVA and 72 FTE jobs across Wales**; this grew to £3.7m in GVA and 113 FTE jobs across the UK.

Boom Cymru's in-house capabilities and established industry partnerships led to further positive impacts during the production process:

- As part of ITV Studios, Boom used The Voice UK's iconic chairs, thus reducing costs and material waste. By co-hiring studio space with Afanti's Cân i Gymru production, Y Llais was also able to repurpose elements of its set and share technical facilities, which further minimised environmental impact.
- Working with Rondo and Media Cymru, Boom supported six apprentices through paid placements as runners and coordinators.
- Producing Y Llais enabled many Boom staff and freelancers to gain experience of working in live entertainment formats, thus helping to diversify and strengthen the local talent base.

Public reception of Y Llais has been positive, with S4C's viewer panels praising the programme's ability to showcase the use of Welsh across a broad range of Wales's communities; this has reinforced Boom's and S4C's values regarding inclusivity, as well as in representing and celebrating the Welsh language in all its forms.

Y Llais has been one of S4C's most successful programmes on Clic and iPlayer, with individual episodes receiving four times the number of streams, on average, than other entertainment programmes on S4C. Viewing statistics show that Y Llais has been successful in reaching new audiences, with 55% of viewers being under the age of 45 (a notably lower average age compared to S4C's typical viewership). The show also fostered multi-generational viewing, which prompted S4C to move the series to an earlier time slot to accommodate younger audiences. On social media, Y Llais has achieved strong engagement levels, with all performances available to view on YouTube.

At the time of writing, Boom Cymru has begun pre-production on a second series of Y Llais, building on the successes of the first season.

"Working with S4C on Y Llais has been an exciting opportunity to bring a globally recognised format into a Welsh-language context. The show has allowed our teams and partners to innovate, collaborate, and grow, all while reaching new audiences and reinforcing the relevance of Welsh culture in contemporary entertainment."

Y Llais Production Staff



5.2 Heno and Prynhawn Da

First released in their initial format 35 years ago, Heno and Prynhawn Da are S4C's flagship weekday magazine shows, broadcast live from Tinopolis' studios in Llanelli. Both Heno and Prynhawn Da continue to strongly align with the original vision of the first show: to showcase and celebrate all of contemporary Wales, while supporting creative sector employment outside Cardiff. Now, Heno and Prynhawn Da are broadcast live every weekday at 2 p.m. and 7 p.m., showcasing news, heritage and culture from all over Wales.

Tinopolis produces 90 minutes of live television for S4C each weekday, and thus requires a higher proportion of dedicated salaried staff than an average television production. This consistency of work has strengthened creative industry clusters outside Cardiff; with Tinopolis operating from both Llanelli and Caernarfon, this has enabled 120 FTE dedicated staff to work and live in Welsh-speaking communities. In terms of direct spend and the subsequent supply chain and salary impacts, **the production of Heno and Prynhawn Da has made a significant economic contribution, totalling £16.6m in GVA and 272 FTE jobs across Wales**, growing to £17.8m in GVA and 283 FTE jobs across the UK.

Although both shows are less reliant on freelancers, the production is still designed to allow new entrants into the workforce: they strongly emphasise providing work opportunities across a variety of their departments, and identifying clear development pathways. Tinopolis noted that the most prominent routes are in camerawork and sound, where new entrants begin by working within studio environments before expanding their skills with on-site work; this allows them to gradually increase their familiarity with different technologies.

Both Heno and Prynhawn Da aim to amplify as many aspects of Welsh society as possible, from a very local level up to national. In the 2024/25 year, the programmes featured coverage of both the National and Urdd Eisteddfods, local physical and mental health charities, the Hay-on-Wye Literature Festival, and Wales's qualification journey into the Women's Euros. These narratives serve to educate, entertain, and emotionally resonate with their audience.



5.3 Goglebocs Cymru

Jointly produced by Chwarel and Cwmni Da, Goglebocs Cymru is a Welsh-language version of the hit British reality show Gogglebox, where Welsh-speaking families and friends across the UK observe and review the previous TV of the week.

Goglebocs Cymru was launched in November 2022 to align with S4C's 40th anniversary. The programme was commended as a novel and entertaining way to showcase S4C's history, as well as providing a representative view of Wales. Goglebocs Cymru's third series aired during the 2024/25 financial year.

With 16 households contributing to each show, Chwarel takes a lead on the footage capture; it makes extensive use of local freelancers and crew across all of Wales to film for the programme. Cwmni Da edits the programme from its suite in Caernarfon. This has led to extensive positive outcomes: Wavehill's economic impact modelling estimates that **the production of Goglebocs Cymru has supported £2.1m in GVA and 30 FTE jobs in Wales, growing to £2.4m and 38 FTE jobs across the UK.**

The production companies' partnership has enabled good working practices and efficiencies to be shared – including the use of newly developed cloud technologies to transfer large video files, which would usually need to be physically transported; this reduces transportation costs and emissions.

Goglebocs Cymru has been a very successful commission for S4C, as both a popular programme in its own right and a method of cross-promoting other programming on the channel. The show has been highly popular on social media, with several clips reaching over a million views on platforms such as TikTok and Facebook.



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)** – an indicator 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.
- **Multiplier** – a factor that captures the additional income produced as a result of some initial expenditure. In the case of S4C, its direct spend in many cases goes to production companies that will spend the money again on their own staff and suppliers. The multiplier aims to quantify this additional expenditure that occurred as a result of the initial spend. A GVA and Employment multiplier from the Input-Output 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.

Appendix B: Approach to impact

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 based on the study's scope, economic data quality and availability, and timescales, but mainly draws on:

- **ONS UK and Scottish Government National IO Tables** – these provide a snapshot of an economy and the flow of goods and services between different sectors. The tables enable 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 there is limited survey data, we have drawn on industry benchmarks to compensate.

The methodology was peer reviewed by an external consultant that specialises in constructing and deploying IO tables.

Impact area

The assessment focuses on the economic contribution that S4C makes to the Welsh and UK economies.

Measures of economic benefit

S4C's direct value

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

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

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 each supplier's two-digit SIC (and therefore the industry it operates in) to match sector profiles within the IO models. Where company numbers were unavailable, websites and category of spend were used as indicators of the supplier's industry, 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 level and SIC code were omitted in 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 COVID-19 pandemic's effects 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's 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; this was adjusted by the average savings rate in the UK (ONS) to estimate disposable income. The ONS UK IO table was then used to determine industry spend by households, from which the total GVA and Employment impact was calculated¹⁰.
- **Supply Chain** – We applied Type II GVA and employment multipliers derived from Scottish Government IO Tables.
- **Freelancers** – The industry average salary for a freelancer working in Wales was used in conjunction with S4C genre cost data to estimate total pay and number of freelancers employed. Tax and savings were then accounted for, to estimate total freelancer disposable income. The ONS UK IO table was then used to determine industry spend by households, from which the total GVA and employment impact was calculated.

Wider impact

The report estimated the effect of S4C's commercial investments and case study programmes. For both, additional data on budgets and spend were collected. To calculate the economic contribution, the same approach was used to calculate 'Indirect Effect' (see above) – that is, converting spend to GVA before using multipliers.

Key limitations of this approach

It is important to recognise that there are 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** for SIC 59 and 60 in Wales during 2021 were unusually low, probably influenced by the COVID-19 pandemic. To provide a more accurate representation of the sector's value, an average of these ratios across multiple years (where available) was used after peer review.
- **Wales IO Tables** – The latest publicly available IO tables for the Welsh economy were published in 2007. In adherence to industry standards, we used the ONS's UK and the Scottish Government's IO tables, which incorporate data up to 2021. However, it is important to acknowledge that this approach assumes that sectoral relationships

¹⁰ <https://www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/dgd8/ukea>

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 the Welsh Government is due to publish Wales-specific IO multiplier tables in the near future. 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 differences 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 freelance content-producing workforce supported by S4C, we updated the previous assessment's findings¹¹ with consultations conducted as part of this year's study.

- **Methodology approach** – While developing this study, we reviewed the methodologies employed in previous economic impact assessments of S4C's activities (prior to our 2022/23 report). However, we opted for a different methodological approach, aligning with practices found in similar reports (including KPMG's assessment of the BBC)¹². This decision was made to ensure transparency and repeatability in future commissions. Consequently, the results of this report are not directly comparable to those of previous reports. However, the results of this report are directly comparable to those presented in our 2022/23 impact report.

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.

¹¹ An online survey complemented by telephone consultations was conducted to collect information on freelancers. The survey invited all suppliers of S4C that received more than £10,000, including production companies, to respond.

¹² KPMG – *An Assessment of the Economic Impact of the BBC*: A report for the BBC for Financial Year 2019/20 (March 2021)

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