
18/11/10

Your letter dated 09/11/10

Sir Michael Lyons
Chair, BBC Trust
180 Marylebone High Street
London
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Dear Michael

Thank you for your letter dated 9th November. I am pleased that our meeting on Monday was constructive, and I am also confident that we should be able to renew our strategic partnership for the next two years without further delay.

I am pleased that both organisations place such importance on the continuation of our strategic partnership. As I noted at our meeting, the reduction in funding of c.£4m over the period of the new partnership is clearly a concern to S4C, especially as this comes after a reduction of £2m earlier this year from DCMS and a further reduction of c. 24% in S4C's funding over the next four years.

At our meeting we also discussed how we should move forward in relation to the new arrangements proposed by the Secretary of State and the BBC Trust in relation to S4C. I am pleased that you confirmed that the BBC has no ambitions to take over S4C. The independence of S4C, as a national broadcaster in Wales, and as an important part of media plurality in Wales should not be underestimated, and is a point stressed repeatedly by Jeremy Hunt and Cheryl Gillan.

In your letter you refer to a "creatively independent" S4C. These are your words, not mine. The S4C Authority, along with a large number of organisations in Wales, believes that the independence of S4C, both editorial and operational, is of the utmost importance, and your use of the term 'creatively' implies something that falls far short of meaningful 'independence' as used by politicians or S4C to date. Clearly this is something that has to be cleared at the outset.


I am clearly pleased that you share our belief in the importance of the independent production sector in Wales. The independent production companies are the backbone of S4C's success, and it is imperative for the S4C service, and the creative industries in Wales that S4C continues to invest the whole of its production budget in the independent production community in a way that secures the programme policy needs of S4C in the round.

We touched briefly at our meeting on the type of arrangements that will need to be put in place in 2013 in relation to the funds to be provided from the Licence Fee. However, we did not go in to any detail regarding accountability or governance

arrangements. We, along with all other interested parties, need to discuss the principles that should govern the relationship that will need to exist between the BBC Trust and the S4C Authority. I think however at this stage that it is premature to be talking about "oversight of how [the] money is being spent". Understanding how operational independence will co-exist with the new financial arrangements will need to be agreed before we are able to agree how "oversight" is to be defined within the context of independence.

I hope that we can now move forward the discussions with all interested parties and try to find a set of arrangements that acknowledges the independence of both the BBC Trust and the S4C Authority while catering for an agreed mechanism with regard to relevant aspects of accountability. Given the public interest in our future arrangements I am making the contents of this letter public, and copying it to the Secretary of State.

Yours



JOHN WALTER JONES
Chair, S4C Authority