**TERMS OF REFERENCE, S4C REVIEW**

S4C was created by the Conservative Government in 1982, and this UK Government remains committed to supporting the valuable service S4C provides to Welsh speaking audiences. We want to see the channel thrive and flourish in the 21st century and embrace the opportunities of a digital age.

**Background**

S4C is a Welsh language broadcaster, mainly funded by the TV licence-fee, but also supported by Grant in Aid from the UK Government. S4C also generates some additional income through commercial activities, providing around 2% of the channel’s funding.

The Government has committed to undertaking an independent review of S4C’s remit, governance and funding.

1. **Objectives**
	1. To conduct a review to:
		1. examine S4C’s remit, including with respect to online services, and consider whether changes are required in light of changing viewing habits and technological developments;
		2. examine S4C’s current governance structure and accountability models;
		3. examine S4C’s partnership with the BBC and its current funding methods;
	2. To make recommendations to the Government within 3 months.
2. **Key considerations**

In assessing the objectives above (1a –b), the review will consider the following factors:

* 1. S4C’s role in promoting, and its impact on the Welsh language and its wider place in Welsh culture and society;
	2. S4C’s contribution to the Welsh economy;
	3. S4C’s relationship with the independent production sector and other broadcasters and cultural institutions, including whether its partnerships are working effectively and to maximum effect;
	4. Audience opinions, satisfaction and viewing figures of both Welsh speaking viewers, learners and the non-Welsh speaking population, both in Wales and across the UK;
	5. S4C’s editorial independence, and appropriate transparency and accountability arrangements;
	6. The way in which S4C is governed and held accountable, including how the S4C Authority is operating and whether alternative models of governance should be considered;
	7. The way in which S4C is regulated and the role of Ofcom;
	8. Value for money, efficiency and the role of the National Audit Office;
	9. The way S4C is currently funded, including the licence fee, grant-in-aid and commercial sources, and its financial relationship with the BBC from 2022/23; and
	10. The extent of S4C’s commercial freedoms.
1. **Process**

The review should seek evidence from a wide range of stakeholders, including the Welsh public, key industry and Welsh language stakeholders, other broadcasters, the UK and Welsh Governments, as well as other interested parties in Wales and across the UK.

1. **Output**

A report setting out an assessment of the current remit, governance and accountability structures and funding methods, as well as proposals for the most appropriate remit, regulatory, governance and funding models for the future of S4C, including key findings, conclusions and any other supporting information. The report must be submitted to the Secretary of State for Digital, Culture, Media and Sport within 3 months, prior to publication.