
S4C Authority Meeting Minute

8 October, 2015, S4C, Llanishen, Cardiff

Meeting No. 391

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|-------------------|-----------------------|-----------------------------------------------|
| Present: | Huw Jones | (Chairman) |
| | Carol Bell | (Member of the Authority) |
| | John Davies | (Member of the Authority) – (item 1-12) |
| | Aled Eirug | (Member of the Authority) |
| | Hugh Hesketh Evans | (Member of the Authority) |
| | Marian Wyn Jones | (Member of the Authority) |
| | Siân Lewis | (Member of the Authority) |
| | Elan Closs Stephens | (Member of the Authority) |
| S4C Staff: | Ian Jones | (Chief Executive) |
| | Dafydd Rhys | (Director of Content) |
| | Elin Morris | (Director of Corporate and Commercial Policy) |
| | Phil Williams | (Secretary to the Authority) |
| | Bethan C. Williams | (Assistant to the Secretary to the Authority) |
| | Huw Marshall | (Digital Manager) – (item 11) |
| | Steve Thomas | (Strategy and Policy Adviser) – (item 8) |
| | Catrin Hughes Roberts | (Director of Partnerships) – (item 8) |
| Apologies: | Guto Harri | (Member of the Authority) |

1. Welcome and Declaration of interest

The Chairman welcomed all present to the meeting and asked for any member with an interest in the business of the meeting to declare their interest.

See the Register of Interests section of the S4C Authority website for general declarations.

2. Minutes of meeting 390 (held on 10.09.15)

The minutes of meeting 390 were presented. The Authority approved the minutes.

3. Matters Arising from the minutes of meeting 390

No other matters arose from the minutes.

4. Chairman's Report (Part 1)

4.1 The Chairman asked JD to present an update following the meeting of the Scrutiny Committee held last night.

4.2 JD explained that the Scrutiny Committee had met to receive a progress report from officers regarding the Co-location plan and in particular to receive an update with respect to achieving the Authority's and the Committee's previous conditions on the principles for a contractual arrangement with the BBC. The Committee was pleased to hear of the progress that had been made with the proposed arrangement.

- 4.3 It was noted that the Committee had decided to recommend that the Authority approves the following recommendations and thus to authorise officers to continue to discuss and negotiate with the BBC to try to achieve the Authority's previous recommendations and conditions and to submit an update to the Committee or Authority in due course for consideration and final approval, if appropriate.
- 4.4 **[Summary:** The recommendations of the Committee and the conditions suggested to the Authority were presented.]
- 4.5 EM noted that a letter from the Director of BBC Wales reports that they are considering the technical options to cope with the latest delay in the co-location plan, which includes considering the temporary renewal of the technical equipment in Llandaf in the meantime, and incorporating S4C's technical activities in Llandaf at the same time. It was explained that officers are considering the option and intend to complete feasibility work on the proposal, but it seems that this could be a viable option, which may overcome many of the issues arising from the timing differences between the two projects whilst reducing the risk of further delays to the project. It would also enable S4C to deal with TUPE and the training issues before the move to the new centre, and would achieve the joint savings earlier.
- 4.6 An understanding of the process will be needed so that we can reach the position to confirm whether the above conditions have been met and to obtain approval to sign the Contract for Licence and the Letter of Intent by mid-October.
- 4.7 There was a discussion about the conditions and the Authority decided to approve the recommendations, noting in addition that they were keen to explore the possibility of co-locating temporarily in Llandaf, but wants to ensure that this would not reduce the expected savings of co-location.

5. **Chairman's Report (Cont.)**

The Chairman presented his report and referred specifically to the following issues.

5.1 **Meeting with Secretary of State**

The Chairman and IHJ had met the Secretary of State recently to discuss matters relating to S4C, including the spending review, the review of the BBC's Charter and a possible review of S4C. It was obvious that there is an expectation on S4C, as with all public bodies that receive support from the DCMS, to find efficiencies and to make similar efficiencies to the BBC with respect to the funding that comes from the licence fee.

- 5.2 The question of the review of S4C's strategy and funding was raised and the Secretary of State indicated that he was aware of the question and that consideration was being given to the options for the review. It appears that the issue had also been discussed at a meeting between the Secretary of State and representatives of the production sector.
- 5.3 The Authority discussed the pros and cons for S4C of requesting a review noting that it could indicate that there was a specific purpose to the provisions of the Public Bodies Act relating to adequate financing, or it could lead to recommendations or findings that may be harmful to S4C.
- 5.4 It was noted that it was important to try to ensure that S4C's funding is not merely treated as part of a process related to another body and that there is a need for an independent assessment of questions related to S4C's funding.
- 5.5 Reference was made in the meeting to the statement made by the Secretary of State in the House of Commons regarding the potential "read across" from the BBC's financing to the funding of S4C and the question of whether the DCMS would be part of the discussion

between the BBC and S4C was raised. It was explained that the DCMS would have an interest in the negotiations. In terms of interpreting the meaning of the "read across" it was noted that discussions should be held with the Executive as well as the Trust.

5.6 The Chairman noted that he had also held a telephone conversation with Rona Fairhead to discuss the next steps in negotiating the funding for S4C from the licence fee from 2017. RF has proposed the establishment of a team of officials from the Trust and the Executive to discuss the interpretation of the "read across".

5.7 It was explained that S4C officers are also in the process of creating a spreadsheet showing the potential impact of the "read across".

5.8 IHJ noted that a meeting of representatives from the production sector had also been constructive.

6. **Parliamentary consultations regarding the future of the BBC**

6.1 The Chairman noted the need to respond to several parliamentary consultations regarding the future of the BBC at the moment. The intention was to use these responses to present evidence relevant to the issues in question rather than the case for S4C funding as a whole as this will arise from the document on S4C's future.

6.2 The Chairman thanked Members for the comments that they had already submitted by email and explained that the responses to the other Committees would be based on the responses that have already been made and circulated to Members.

7. **The Sir David Clementi review of the BBC's Governance**

It was noted that S4C hope to meet with Sir David Clementi in order to present evidence regarding S4C's accountability and funding arrangements and the Operating Agreement.

8. **Chief Executive's Report**

IHJ presented his report and referred to the following issues.

The document on the Future of S4C and Welsh Language Broadcasting

[Summary: He presented the latest draft of the document on the Future of S4C and Welsh Language Broadcasting and explained the timetable and the intention to publish the document at a special event. The purpose of the document was to stimulate a public debate about the future of S4C's service and its financing, and not to introduce a new strategy for S4C, so the Authority was not required to approve the document.]

It was decided to continue with the process of completing the document with the aim of publishing it at an event in Cardiff within the next few weeks.

9. **Report on a meeting with the First Minister, Carwyn Jones**

[Summary: IHJ gave feedback from the meeting between himself, the Chairman and the First Minister of Wales.]

10. **The Main Target for the service**

[Summary: There was a discussion about a number of possible measures for the main target of S4C's service and the implications of choosing them. One potential measure was proposed for selection.]

A recommendation for the Main Target for S4C's service was made and it was suggested that the new target be used with the aim of increasing the reach of the service.

The recommendation to adopt the Reach of All Viewers in Wales as the main internal target for the service was approved, whilst keeping an eye on online in addition and reporting in the quarterly report on the basis of a 3-month moving average and a comparison with the performance of other Welsh PSB channels.

11. **An update on the implementation of the Digital Strategy**

HM was welcomed to the meeting.

HM submitted his report which summarised the contents of the Digital Strategy, its priorities and work plan, as well as a framework for assessing the performance of the strategy.

[Summary: Referring to performance, the increase in certain elements of the digital service was noted as was the priority given to developing the presence of S4C on Twitter, Facebook and Ap S4C. Measures to assess the performance of the strategy will be incorporated.]

The presence of S4C's EPG information on commercial platforms such as the Radio Times Online was raised, and it was noted that it is difficult to find the information about S4C's schedule.

It was decided that officers would contact the Radio Times to discuss the inclusion of information on the S4C schedule.

12. **Preparations for the Sale of S4C's Estate**

It was noted that discussions were being held with experts on planning permission to explore the options for selling the estate. A further update will be given when the final planning advice has been received.

13. **Operational Objectives for 2016**

IHJ explained that he was keen to change the timetable for the preparation and implementation of the Operational Objectives from the calendar year in order to fit in with S4C's financial year, and to make recommendations for the 2016-17 objectives in February 2016.

The change to the timetable of the Operational Objectives to coincide with S4C's financial year from April 2016 was approved.

14. **Last month's programmes**

There was discussion about last month's programmes.

[Summary: Amongst the programmes discussed were Becws, the second series of Codi Canu and Y Gwyll.]

15. **Half-yearly assessment for the BBC Trust**

The concise half-yearly assessment for the BBC Trust was presented.

The assessment was approved for delivery to the Trust by the Chairman of the Content Committee.

16. **Data Project**

It was noted that Gwyn Williams will chair the Data Project. It was explained that 8,000 individuals have registered with the new database, with a target of 40,000. It is hoped to launch the data base officially in March.

OTHER MATTERS:

17. **Viewers' Hotline Report and Complaints and Compliance Report.**

The Viewers' Hotline report was presented for information and the Complaints Report discussed.

18. **Work Programme and the Agenda for the Away Day**

An update of the Authority's Work Programme until July 2016 was presented for information.

The agenda for the Away Day in November was raised and Members were asked to submit any suggestions or requests for discussion.

19. **Any other business**

No further matters were discussed.

Date of next meeting:

Thursday 12 November, 2015