

Present:	Huw Jones	(Chairman)
	Carol Bell	(Member of the Authority) – item 6-16
	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)
	Gwyn Williams	(Director of Communications and Engagement)
	Phil Williams	(Secretary to the Authority)
	Bethan C. Williams	(Assistant to the Secretary to the Authority)
Apologies:	John Davies	(Member of the Authority)
	Guto Harri	(Member of the Authority)

1. **Welcome and Declaration of interest**

- 1.1 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.

- 1.2 The Chairman reported on the meeting held earlier with the Welsh Select Committee and noted that the members of the Committee had appreciated the opportunity to visit S4C and to discuss issues relating to the future of the service. It was a positive meeting with all members expressing support for the work of S4C.

2. **Minutes of meeting 391** (held on 08.10.15)

- 2.1 The minutes of meeting 391 were presented and were approved by the Authority.

2.2 **Minutes of the Complaints and Compliance Committee meeting**

The minutes of the Complaints and Compliance Committee were presented.

[Summary: As JD was not present it was decided to discuss any matters arising at a later date.]

3. **Matters arising from the minutes of meeting 391**

- 3.1 Point 11.4 - *'it was decided that HM would include suitable comparisons for measures within the performance assessment framework of the Digital Strategy'*. – It was noted that HM is preparing appropriate measures for assessing the performance of the Strategy.

- 3.2 Point 11.6 - *'it was decided that officers would contact the Radio Times to discuss the inclusion of information about S4C's schedule'*.

Discussions are ongoing with the Radio Times to see how it could give further prominence to S4C's listings.

- 3.3 Point 15 - Data Project – It was explained that GW is now responsible for the Data Project and the aim is to launch a registration system for the website by Christmas.

4. **Chairman's Report**

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

- 4.1 He noted that he had received a draft letter from the DCMS outlining what was said verbally by the Minister, Ed Vaizey regarding the level of financial contribution by the DCMS to S4C. It was explained that there would be no final letters sent by the DCMS until the new year.

[Summary: The letter confirmed that the figures now include an element of inflation.]

An invitation was also extended to a meeting with the Minister in the new year.

- 4.2 He noted that there had been substantial political reaction to the decision. There were questions on the floor of the House of Commons where the Minister explained that the total funding for S4C was around £90m, and that he deems that amount sufficient given the number of viewers. The Minister's statement takes into account the BBC's expenditure on the 10 hours as part of S4C's income.

- 4.3 **[Summary:** The Chairman and IHJ had attended a constructive meeting in the Cabinet Office. The meeting was an indication of the interest of numbers 10 and 11 Downing Street in S4C. Officers were keen to see if there were other things that would be of value to S4C: - S4C's lending powers, the Digital and Commercial terms of reference, the lack of a High Definition service and the consideration being given to hold a review were all raised.

The significant risk that a cut in the Licence Fee money could exceed the DCMS financial cut was noted. They were asked what S4C's assessment of the possible effects of the arrangement was and it was explained that the analysis so far suggests a range of figures where S4C's income could vary significantly year on year.]

- 4.4 It was noted that the BBC's financial planning could also affect the level of their financial investment in the provision of the 10 hours by BBC Wales for S4C. As well as the level of financing for the 10 hours in the future, there was a risk that the BBC's plans for BBC Studios could also affect the provision. IHJ was discussing issues relating to the 10 hours with BBC Wales management.

- 4.5 **[Summary:** There was a discussion about the potential impact of a cut in the funding from the DCMS as well as a potential cut in the Licence Fee income. It was decided that officers would submit plans and proposals in the new year.]

5. **Ofcom meeting**

[Summary: HJ, IHJ and PW had met with Sharon White, Chief Executive of Ofcom.]

6. **Membership of the Authority's Committees**

The Chairman noted that he had been considering the membership of the Authority's

committees following the departure of Aled Eirug. The letter sent to the DCMS outlining the potential impact of financial cuts included a reference to the possibility of creating a financial saving in the Authority's budget by reducing the number of members. In the short term it was unlikely that the DCMS would move to appoint a new member.

Given the additional burden on existing members he presented a proposal to merge the work of the Audit and Risk Management Committee with the Personnel and Remuneration Committee.

He presented the following recommendations for the membership of the committees.

Audit and Risk Management, including Personnel and Remuneration

Hugh Hesketh Evans (Chair), Carol Bell, Elan Closs Stephens, Siân Lewis

Complaints and Compliance

John Davies (Chair), Carol Bell, Guto Harri, Elan Closs Stephens

Content

Marian Wyn Jones (Chair), John Davies, Siân Lewis, Guto Harri

The Commercial Board (Authority representatives)

Carol Bell (Chair), Hugh Hesketh Evans

Relocation and Co-location Scrutiny

John Davies (Chair), Marian Wyn Jones

The Authority approved the recommendations listed above.

7. **Viewers' Evenings**

The Chairman referred to the viewers' evenings held in Mold and London recently, noting that about 90 viewers attended the evening in Mold and approximately 70 in London. The discussions were enthusiastic with the audiences displaying significant support for S4C. He noted that the Content Committee will discuss the feedback from the evenings at their meeting in January.

8. **Chief Executive's Report**

IHJ presented his report and referred specifically to the following issues.

8.1 **Commissioning Process Review**

[Summary: IHJ gave an update on the process of negotiating the revision to the Stabilisation system with the production companies. He noted that several worthwhile meetings had been held with representatives of the production sector.

A recommendation on the way forward was presented to Members and the Authority approved the recommendation.]

8.2 HD Provision on Sky

Sky's plans to wind up the delivery of their channels in SD by 2020 were discussed and it was explained that the change to providing HD only on satellite platforms would affect viewers with SD only satellite equipment. It was noted, however, that S4C did not have current information regarding the level of SD-only equipment still being used within Sky's closed network or Freesat's open platform, and therefore could not make an impact assessment of the change to HD only.

It was decided that officers would continue to seek further information from Sky or other partners regarding the number of SD-only devices that continue to be used to enable S4C to determine when the SD service could be turned off and transfer to HD only on satellite.

8.3 Cyfle

IHJ explained that Cyfle's board of directors had decided to place the company in the hand of administrators, and thus wound up the company's activities last Friday as the board had concluded that the company's financial resources would not allow them to continue to maintain the company's activities. IHJ had held talks with Skillset and TAC to ensure the continued delivery of appropriate training for the future.

There was a discussion on how the disappearance of Cyfle would affect S4C's Training Strategy and it was explained that officers are considering options for the future provision of training and an update will be presented to the Authority in due course.

9. QUARTERLY MATTERS

Content and Insight Report - Quarter 2

The Content and Insight report for quarter two was submitted along with a summary of the performance of the service during the year to date.

[Summary: There was a discussion about the performance of the service across Wales.]

[Summary: The drama provision and the plans for the genre in the future were discussed.]

With reference to the targets for programmes and series within the service it was explained that targets are identified for all of S4C's output. The Content Committee had also received information regarding programme targets at their last meeting, and the Committee will continue to consider the performance of programmes against their targets whilst also considering the long-term performance of series and strands.

It was explained that work is under way to target people who do not watch S4C at present, including in mixed language homes. A pilot project in Caernarfon was described - where promotional materials, that included a competition, were located at centres such as supermarkets and garages in order to attract the attention of large numbers of people. Subject to assessing the success of the scheme, similar methods could be introduced in other areas in due course.

There was a discussion about how to discover the views of people who have chosen not watch S4C and it was noted that a number of reports presented to the Authority include relevant information to help develop a strategy for attracting viewers back to S4C.

[Summary: The use of language within our programmes was discussed.]

10. **Communications Report – Quarter 2**

GW presented the Communications Report for Quarter 2, and indicated that he was presenting the report for information as he had joined S4C in Quarter 3.

He was thanked for the comprehensive report and it was suggested that a concise report, with an assessment of the performance and success of communication campaigns, would be useful in the future to enable the Authority to assess the performance of the communication activities and their contribution to the success of the service.

GW presented a summary of a number of matters that have been implemented during the past month.

He had met with representatives of a number of production companies to discuss their impressions of S4C's communication activities and how the co-operation between producers and the communications department could be strengthened in the future.

He had been looking at the structure and procedures of the Communications department, using the report by a consultant as a basis for the introduction of new working methods and structure in the future.

He had begun to evaluate all S4C's communications activities to assess which activities are successful and which need further exploration. The intention is to use software such as Survey Monkey to seek the views of those who have attended S4C's events, such as the recent launch of the document S4C: Edrych i'r Dyfodol.

He had decided not to continue with S4C's general print effort without first assessing the overall cost and value of individual projects. Consequently, advertising on social media, where the costs are much lower, will take precedence. He explained that it is possible to assess the success of each such campaign and referred to an example of a 'boost post' on Facebook which had already managed to attract 12.5k to the page for "Babi Del".

Corporate goods will no longer be provided by S4C, but small items will still be given as a way of saying 'thank you' to people for interacting with S4C in a particular way - such as registering to receive emails/newsletters or completing a questionnaire.

He had reached an agreement with the Daily Post about showing video clips of S4C content on their website.

With reference to the work of the Viewers Hotline he noted that a new policy has been introduced to ensure that every comment about S4C made on social media receives a response - be it only 'thanks', or a response to the substance of a message. It had also been decided to modify the language used by S4C to make it warmer and more personal.

A list of e-mail addresses for the production companies has been created to ensure that the production sector receives all press releases relating to S4C's corporate issues.

It was explained that it will be possible to sign up for S4C's newsletters on the website by Christmas, and that the database that will be created in due course will be further developed to enable the on-line service to be better tailored to reflect the interests of the individuals.

He noted that the work of devising a composite measure of engagement with S4C is continuing. The company that has been contracted to advise on the proposed measure will consider further how to create a link between the different elements of engagement such as reach and the use of social media.

In order to introduce new ideas and new ways of working to the department's staff a series of screenings and speakers have been arranged, for example with the Barmouth furniture store owner who has had considerable success on YouTube with short promotional films (https://www.youtube.com/channel/UCbIakD1tLYS_37I_47wV4ew).

The aim of these sessions is to stimulate staff to consider whether there are ways of presenting S4C's message in new ways.

It was noted that Members were pleased to hear about the new direction for the department's activities.

11. **Q2 Financial Report**

SW presented the financial report for quarter 2 for information.

12. **Reports from the Committees**

Personnel and Remuneration Committee of the report.

MWJ presented the report of the Committee meeting held on 17 November to discuss and scrutinise the proposals from officers on the Relocation Packages for S4C staff affected by the Relocation Project. The proposals, following the committee's scrutiny, were presented. She explained that two members of the Committee had scrutinised the original proposals and was therefore very keen to give an opportunity for the whole Authority to consider the appropriateness of the proposed packages.

She explained that the Committee had considered the recommendations of officers for relocation packages and had offered a number of improvements that have been included in the recommendation presented in the above paper.

Officers had prepared the recommendations after receiving expert advice and had taken into account the relocation packages offered by the BBC in relation to the relocation plan for Media City and the NAO's assessment of the plan and packages. It was noted that the financial context during the period of relocation to Media City is in sharp contrast to the current financial context and that officers have taken this into account when benchmarking the packages.

It was noted that officers had taken the current financial context into account, as well as the need to ensure the appropriateness of spending public money, whilst preparing the relocation packages. These packages are meant to offer reasonable terms for staff wishing to move to the Carmarthen area. The risk that the severance packages may appear more favourable to individuals was noted, but S4C would need to persuade its staff to make the move or to try working at the Egin before considering the severance package.

It was explained that the starting point for discussions with BECTU and staff representatives are the packages (Packages 1-5) contained in the document described above and the possibility is that it will be necessary to introduce revised packages in due course depending on the negotiations with the union.

The Authority approved the recommendation to accept Packs 1-5 as the starting point for discussions with BECTU.

13. **Last month's Programmes**

Following the comprehensive discussion about the performance of the service during Quarter 2, it was agreed not to have any further discussion about last month's programmes.

14. **OTHER MATTERS**

Viewers' Hotline Report and Complaints and Compliance Report.

The Viewers' Hotline report was presented for information. It was noted that no new complaints have been received since the last meeting of the Authority.

15. **Work Programme**

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

16. **Any Other Business**

No further matters were discussed.

Date of next meeting: Thursday,

January 14, 2016.