
S4C Authority Meeting Minute

8 September, 2016, S4C, Caernarfon

Meeting No. 401

Present:	Huw Jones	(Chairman)
	Carol Bell	(Member of the Authority)
	John Davies	(Member of the Authority)
	Guto Harri	(Member of the Authority)
	Marian Wyn Jones	(Member of the Authority)
	Elan Closs Stephens	(Member of the Authority)
S4C Staff:	Ian Jones	(Chief Executive)
	Elin Morris	(Director of Corporate and Commercial Policy)
	Gwyn Williams	(Director of Communications and Engagement)
	Rachel Evans	(Deputy Director of Content and Broadcast)
	Phil Williams	(Secretary to the Authority)
	Bethan C. Williams	(Assistant to the Secretary to Authority)
	Steve Thomas	(Strategy and Policy Adviser)
	Gwenllian Griffiths	(Director of Partnerships)
	Garffild Lloyd Lewis	(Director of Relocation and Projects)
	Carys Evans	(Head of Insight)
Apologies:	Hugh Hesketh Evans	(Member of the Authority)
	Siân Lewis	(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 400 (14.07.16) and Matters Arising

The minutes of meeting number 400 (held on 14.07.16) were presented.

Following a few minor amendments the Authority approved the minutes.

Matters Arising**Wales Lottery Project**

It was noted that officers had discussed the option to extend the period of the broadcast rights agreement beyond the first ten years and that the company had consented to the application.

The Technical Services Agreement

It was explained that discussions were continuing with the BBC and that it was intended to try to agree the TSA agreement by the end of October. It is proposed that an update be submitted to the Authority at its November meeting.

The iPlayer and online viewing patterns

[Summary: Following an enquiry, an update was given on the developments with the iPlayer.]

3. Register of Action Points and Decisions

The Action Points and Decisions Register was presented and an update was requested on the following issues.

Wales Lottery Project

It was noted that the register needed updating to reflect that the implementation date for the terms of reference and risk register will be October 2016.

Young People's Portal

It was reported that GW had met with Rhodri ap Dyfrig and that plans were under way for developing the online provision for young people.

Commercial Board Projects

[Summary: An update was given on one of the Board's projects. Two business plans were being developed and the Commercial Board will consider them in due course. An update on the plan will be submitted to the Authority in due course.]

4. Chairman's Report

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

4.1 Financial agreement with the BBC

He referred to the letter he had received from Rona Fairhead last night and his response, stating that the letter confirms a number of important issues that had been agreed with the BBC during the last week.

[Summary: The Chairman was pleased to present the letters and the relevant clauses from the Framework Agreement relating to the funding of S4C from the Licence Fee until 2021/22, and in principle for the remainder of the period of the new Charter until 2027/28. It is intended to include details of the agreement between S4C and the BBC in a document based on the current Operating Agreement in due course.

It was noted that this was a very acceptable result for the discussions and having financial security for the majority of a public body's income for a period of 5 years in the current climate was very positive.

The question of the arrangements for the BBC's statutory provision of 10 hours over the next charter period was raised. It was explained that the duty to provide the 10 hours of programmes was a statutory duty and that the Framework Agreement could not change this duty.

It was explained that the DCMS intends to publish the Framework Agreement and the draft Charter next week. Further discussion of the detail of the drafting was to be completed with the DCMS and the BBC before that to ensure that the wording in the agreement is acceptable to S4C.]

The Authority approved the arrangements for the 'read-across' that had been agreed with the BBC for the contribution to S4C from the Licence Fee until 2021/22.

It also approved the continuation of the discussions on the details of the new relationship with the BBC and the DCMS with the aim of drafting the *heads of terms* or a revised version of the Operating Agreement for consideration by the Authority and the proposed BBC Unitary Board.

4.2 **Term of Appointment of Authority Members**

[Summary: The Chairman noted that the terms of two of the Members expire in the near future and that officers have been discussing with the DCMS since the beginning of the year to seek re-appointments. To date a final decision has not been conveyed by the Government. The Chairman will inform Members as soon as possible.]

5. **2017 Review – Update**

An update on the preparations for the 2017 Review was presented for information.

It was noted that it would be important to obtain a reviewer who will have an understanding of the context of the Welsh language as well as the broadcast media.

[Summary: HJ believed that it was worth carrying out a review, and that it was also part of the deal between DCMS and S4C. Following the abolition of the historic funding formula in 2011, there was a need to put some process in place to provide guidance and framework for the Secretary of State's decisions in accordance with the statutory duty to secure S4C 'adequate funding' in the future. S4C needs to be absolutely clear what are the expected outcomes.

There was a discussion about S4C's current terms of reference, the need to support the provision of digital services outside of Wales and the lifting of existing commercial restrictions. A range of outcomes that it would be desirable to see from the review were discussed.]

It was agreed that the Chief Executive should be asked to control the expenditure and resources allocated to prepare for the Review.

6. **Relocation / Canolfan yr Egin - Update**

GLL was welcomed to the meeting and he presented an update regarding the Relocation plan and a report prepared by the Chairman and IHJ.

[Summary: JD noted that he was keen for the Scrutiny Committee to be given a general progress report on the Relocation and Co-location projects and that he also wished to turn the Committee's focus towards Relocation staffing issues, in co-operation with the Audit, Risk Management, Personnel and Remuneration Committee.

In response to a question, GLL explained that the Egin performance area would be run by the University.]

It was agreed that a summary should be presented to the Authority of the reasons for relocating to Carmarthen and the benefits to S4C as a result of the move.

It was agreed that a meeting of the Scrutiny Committee would be held on the 6 October, with an invitation to all Members of the Authority to attend.

The Committee's agenda will be expected to include the following issues:

1. An update of the Financial Plans, including:

- (i) Consideration of S4C's latest cost projections;**
- (ii) Consideration of the Business Plan over 10 years and 20 years;**
- (iii) An update on PDDS' capital grant application; and**
- (iv) An update on PDDS' plans to fulfil their financial commitments to the project**

2. Scrutiny of the Relocation Project Risk Register

3. Staffing Issues, including:

- (i) An update on the Restructuring Plans;**
- (ii) An update on the Relocation Packages;**
- (iii) Consideration of the plans for managing the Relocation Process, and in particular planning for securing S4C's business continuity up to and beyond the Relocation period.**

7. Chief Executive's Report

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

The Process and Risks of Relocating (including Restructuring)

[Summary: He referred to Schedule B2 which identifies the main risks. He noted that the Restructuring plan would be presented to staff on 20 September.

In October there will be discussions with individuals whose jobs will move to Carmarthen. IHJ noted that the process of discussing with the staff whose posts will move to Carmarthen would last until March 2017, when they would be expected to indicate to S4C whether they intend to move to work in Carmarthen, to trial working in Carmarthen for a period or to leave S4C.]

The Objectives , Purpose and Core Values of S4C

GW presented an update on the review of S4C's objectives and purpose. He explained that he had held a number of sessions with S4C staff to discuss S4C's objectives, purpose and values, and that staff input was included in the document.

There was a discussion about the document and it was suggested that references should be included to the need to behave responsibly with public funds and it should note the importance of the relationship between S4C and the production sector.

There was also a discussion regarding consultation with the production sector and it

was suggested that it would be useful to discuss the document with a number of representatives of the sector before its publication.

It was explained that the document would be presented to the current staff and to new staff as they joined S4C and that it would be used in the development of S4C's strategies.

The Authority approved the document presented including S4C's Objectives, Purpose and Core Values, whilst identifying the need to condense the style, and to include specific references to the importance of the creative partnership with the suppliers and the need to ensure the responsible stewardship of the public money received by S4C.

8. **Operational Objectives Progress Report 2016/17**

The half year progress report was presented, noting that the intention was to provide an update to the Authority regarding the progress and achievement of the operational objectives for 2016/17.

Discussion arose on the following matters.

Ensuring specific highlights in the schedule

It was suggested that officers should consider how to plan highlights in advance and how to submit updates regarding the plans for highlights to the Authority.

The pre-purchasing process

It was explained that the Strategic Board, including AR, is currently developing a new Pre-purchasing framework, with the hope that it will be presented to the production sector by Christmas. Officers will submit an assessment of the impact of the proposed scheme to the Authority in October.

Programme Purchases

IHJ noted that he was confident that S4C would reach the 5% goal by March 2018. He was keen to continue to consider expanding the use of purchases, with the aim of having up to 2 hours of peak-time purchases over a period of a week, but doing so in a sensible way trying to convey the content in a way that is compatible with S4C's service. He referred to the series Arctig Iolo as an example of this.

Social Media

It was reported that there had been a significant increase in interaction on social networks over the past six months, especially Snapchat and Facebook.

Database

[Summary: It was explained that the development work on the Database scheme continues. It was noted that updates would be submitted to the Authority.]

Update on the Young People's Portal

It was explained that the proposed plan had now evolved from being a Gateway to be a combination of content elements and methods of using the content across S4C's platforms and other platforms.

S4C's intentions to enter into partnerships with educational institutions were raised, and a question asked whether consideration was being given as to how S4C could assist with the GCSE and A level curriculum. It was explained that discussions were under way with WJEC and other partners and it is hoped that an update will be submitted to the Authority shortly.

Archive Project

[Summary: It was explained that there was a plan in place for archiving S4C's content with the possibility of cooperating with other parties.]

BBC iStore

[Summary: Members were updated on developments with the BBC regarding S4C's access to the iStore.]

Training

It was explained that discussions had been held with TAC in order to develop a plan. It was noted that a request had been submitted to TAC to submit a training bid and that S4C was still awaiting a response.

The Right to Borrow

It was noted that no final response had been received regarding S4C's request for the confirmation of lending powers. Discussions with DCMS are continuing, with the DCMS requesting further financial details to submit to the Treasury.

It was explained that there would need to be clarity over the borrowing powers before a legal commitment could be made with the BBC regarding the technical services agreement.

Longevity

IHJ referred to a summary in his report of the consideration given to the longevity of content commissioned by S4C.

Procurement policy of S4C Subtitling provision

[Summary: RE presented a recommendation regarding modifying the procurement of subtitles in Welsh and English.]

The recommendation to restructure the subtitling and tendering contracts to procure one Welsh and one English provider was approved, with the financial savings devoted to increasing the number of hours of Welsh subtitles provided.

9. Discussion of the past month's programmes

There was discussion about the past month's programmes.

[Summary: Interesting developments were seen in the schedule with the episodes of a drama series being broadcast together to provide a box set experience and the imaginative use of archive material when broadcasting Bois Parc Nest in the run up to the National Eisteddfod. Specific reference was made to the Aberfan Concert recorded at the Millennium Centre for the Autumn. The work was commissioned by S4C by Karl Jenkins and Mererid Hopwood in memory of the disaster.]

QUARTERLY ISSUES:

10. **Content and Insight Report Quarter 1 2016-17**

[**Summary:** CE and RE presented the Content and Insight Report and the viewing figures over the period and the regional viewing pattern were highlighted.]

11. **Communication Report Quarter 1 2016-17**

GW presented a report on the activities of the Communications Department during Quarter 1, 2016-17.

The communication activities during the Urdd Eisteddfod and the Euro 2016 championship were mentioned and the importance of the social media schemes for both events was noted. It was explained that an analysis of the impact of the schemes showed a significant increase in usage and engagement with S4C across a number of platforms and among a number of varied groups within the audience.

The re-introduction of the HD service on Sky and Freesat was very important during the quarter in terms of promoting the sports provision.

During the period there were a number of shows and activities such as Sioe Cyw at Folly Farm and the Rimbojam tour in North Wales in collaboration with the Mentrau Iaith and the Councils in the north.

12. **Report of the Audit, Risk Management, Personnel and Remuneration Committee**

HHE presented the draft minutes of the Committee meeting held on 14.07.16.

He explained that the Committee had considered a process for formalising the induction of new Members to the Authority following the recommendations of the internal auditors, PWC, and that they recommended that the Authority approve the new process.

There was a discussion regarding the recommendation and a question asked whether there was a danger that the process would be laborious to implement. It was questioned whether this would be a good use of the time of new members and officers. It was explained that the process responded to a recommendation from the internal auditors following their discussions with Authority Members. In order to reduce the risk of having to implement a complex and long process it was suggested that the process could be adopted as an example framework for the induction of new members with the right for the Chairman to adjust the operation of the process subject to the requirements of individual members.

The New Members Induction Scheme was approved by the Authority, giving the Chair discretion to modify the process according to the needs and wishes of new Members.

13. **Viewers' Hotline Report**

The Viewers' Hotline report was presented for information.

14. **Complaints and Compliance Report**

The Complaints and Compliance Report was submitted for information.

[Summary: S4C had received a new complaint and Members were referred to a summary of the complaint in the report.]

Any other business

No other matters were discussed.

Date of next meeting:

Thursday, 13 October, 2016