



Present:	Huw Jones	(Chairman)
	John Davies	(Lead Non-executive Member of the Authority)
	Hugh Hesketh Evans	(Member of the Authority)
	Guto Harri	(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)
	Elin Morris	(Director of Corporate and Commercial Policy)
	Gwyn Williams	(Director of Communications)
	Rachel Evans	(Deputy Director of Content and Broadcast)
	Amanda Rees	(Creative Content Director)
	Phil Williams	(Secretary to the Authority)
	Bethan C. Williams	(Assistant to the Secretary to the Authority)
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.

ECS noted an interest in the discussions with TAC and BBC Studios in her capacity as a Member of the BBC Trust. No other declarations were received.

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

2. **Minutes of meeting 401 (08.09.16) and Matters arising**

The minutes of meeting number 401 (held on 08.09.16) were presented and the following matters were noted:

Item 7.1.1 - it was noted that IHJ and not GLL had made the comments regarding discussing preparations for the Relocation project with staff.

Item 8.1.15 - the wording relating to English subtitles was raised and it was noted that the intention is to maintain the service at the same level as opposed to increasing the hours.

[Summary: There were two further corrections to the wording in the minutes relating to the commercial interests of two parties.]

The Authority approved the minutes incorporating the above amendments.

Dates of Authority Meetings

Due to the reduction in the number of Authority Members, it was decided that BCW would re-circulate the dates of the Authority's meetings for 2017 for Members to note if there are any meetings that present them with difficulties at present.

3. Register of Action Points and Decisions and Matters Arising

The Register of Action Point and Decisions was submitted and an update was requested on the following issues:

3.1 Discussions with the BBC

[Summary: It was noted that discussions were ongoing with the BBC and it is hoped that an update will be submitted to the Authority by the end of November.]

3.2 2017 Review

The Chairman and IHJ will meet with the DCMS Secretary of State, Karen Bradley MP, during the next two weeks. It is hoped that it will be possible to start discussing the preparations for the review at that time.

3.3 S4C's Statement of Objectives and Purpose

GW stated that a number of companies had received information about the statement and he had received a positive response. He explained that more prominent references to production companies as partners and to the use of public money were included following the discussion at the last Authority meeting.

The statement will be presented to staff in the form of a small memory stick and as a presentation at a staff meeting. Members of the Authority will also receive a copy in the form of a small memory stick.

3.4 December Away Day

There was a discussion about preparations for the 2017 Review, and the opportunities for the Authority to discuss issues that may be relevant, including discussing S4C's vision and strategy. It was noted that it would be useful to hold an Away day for the Authority.

It was decided to hold an Authority Away Day to discuss the preparations for the 2017 Review instead of the Authority's December business meeting.

It was also decided that CB and MWJ should be invited to attend the Away Day and to contribute to the discussion about the development of S4C's strategy.

3.5 Canolfan yr Egin

A question was asked about the intention for the Chairman and IHJ to meet with Medwin Hughes to discuss the financial elements of the Egin scheme and it was explained that individual telephone conversations had taken place.

[Summary: The background to the telephone calls was explained and confirmation was received from the university on one important point raised.]

4. **Chairman's Report**

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

4.1 **Membership of the Authority**

[Summary: The Chair referred to the terms of two Members, stating that the term of one had expired on 16 September and that the term of the other ends on 7 November. He had been discussing re-appointments with the DCMS for some time, but the DCMS has now contacted him to inform him that the Secretary of State will not re-appoint. He apologised profusely for the news and explained that the Government's policy was not to re-appoint members to public bodies, and that this did not reflect the contribution of members in any way.

Members discussed the implications of the decision.]

The Chair noted that there would be an opportunity to thank CB and MWJ for their contributions in due course and stated that the intention was to hold an event in November to thank them and DRh for their important contributions to S4C's work.

As a result of the reduction in the number of Members by the end of the year, it was noted that a greater burden would fall on the rest of the Members. It was suggested that this should be considered when planning the work programme and when considering the Authority's quorum requirements.

4.2 **Standing Orders**

It was decided to consider reducing the Quorum of Authority meetings from 4 to 3 until the membership of the Authority was back to 8 or 9 Members and that the Chairman should submit a recommendation to the November Authority meeting.

4.3 **Chair of the Commercial Board**

The recommendation of the Chairman and the Commercial Board to appoint Carol Bell as a full Non-executive Member and Chair of the Commercial Board was approved. The period is to be determined but in the first instance will be until new members have been appointed to the Authority and the Authority appoints a new member from amongst the Members to serve as a non-executive director of the Commercial Board.

It was decided that Hugh Hesketh Evans would report back to the Authority on Board activities in the meantime.

The Authority approved the extension of David Sanders' term as an independent Non-executive director of the Commercial Board.

4.4 **Membership of the Relocation and Co-location Scrutiny Committee**

It was noted that a new member would need to be appointed to the Scrutiny Committee at the end of MWJ's term.

4.5 **Chairmanship of the Content Committee**

The Authority approved the appointment of HJ as Chair of the Content Committee for an interim period until new members have been appointed to the Authority when the Authority will appoint a permanent chair for the Committee.

4.6 **DCMS grant level for 2017/18**

[Summary: The Chairman gave an update on the discussions with the DCMS and S4C's concerns over the recent announcements.]

4.7 **National Assembly Culture, Welsh Language and Communications Committee**

The Chairman and IHJ submitted evidence to the Committee and it had been a positive session. There were questions about the new relationship with the BBC, with a suggestion that S4C could distance itself from the BBC. It was explained that this was not the intention, and that S4C and the BBC were still keen to work together.

There was also a question regarding the processes for S4C's accountability to the Assembly, such as submitting the Annual Report in line with the proposed BBC arrangements under the new Charter.

4.8 **Blaenau Ffestiniog Viewers' Evening**

The Chairman referred to the Viewers' Evening held in Blaenau Ffestiniog, stating that it was a very positive meeting, with an audience who were very eager to discuss S4C's output.

5. **Annual meeting between TAC Members and Authority Members**

The members of TAC were welcomed to the meeting [for this item] and the Chairman summarised issues relevant to S4C such as the developments with the BBC and DCMS and preparations for the 2017 Review.

[Summary: TAC presented a brief presentation of its work over the past year. The continuation of the constructive relationship between TAC and S4C was noted and the importance of the opportunity to meet annually was emphasised. TAC membership was discussed and the methods of increasing membership. The desire to draw up a new training structure in relevant areas was explained. The development of BBC Studios and the opportunities and risks to the membership were discussed.]

6. **Chief Executive's Report**

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

6.1 **Pre-purchase Agreements**

[Summary: IHJ introduced the proposed Pre-purchasing Agreement scheme. The intention is to start discussions with the production companies next week. The agreements will provide companies with a minimum income guarantee based on specific series. Members discussed the proposals.]

It was decided that officers would take into account the Authority's concerns regarding some possible side effects of the Pre-purchase policy in moving forward with the relevant discussions with the companies.

6.2 **Agreement for Technical Services with the BBC - the "TSA"**

It is proposed to submit an update to the Authority in November rather than October.

[Summary: An update on the timetable for signing was given.]

It was decided that a meeting of the Scrutiny Committee should be held before the November Authority meeting to allow the Committee to scrutinise the draft technical services agreement.

6.3 **Revised Agreement on the iPlayer**

[Summary: It was explained that officers had been discussing proposed developments with the iPlayer team and the potential side effects for S4C including the prominence of S4C content and the costs of the iPlayer to S4C.]

7. **Discussion on the last month's Programmes**

[Summary: There was a discussion about the past month's programmes. Parch had caught the audience's imagination and the broadcast of the Aberfan: Cantata Memoria concert had presented a harrowing subject in a sensitive and reverential way.]

8. **Presenting the draft Minutes of the Authority Committee Meetings**

8.1 **Report of the Content Committee meeting held on 28.09.16**

MWJ presented the report of the Content Committee meeting. She noted that the Committee had received reports on the performance of the News provision and an analysis of the service's performance during Quarter 2 – the Insight report.

Consideration of the Insight Report for Quarter 2 was a new development in the Committee's work programme. It was explained that the intention was to give the Committee the opportunity to consider the performance of the service as a whole rather than focus on one genre per meeting.

[Summary: In addition to the Insight Report there was a perceptive and intelligent assessment of the performance of the News provision by LII.]

8.2 **Report of the Relocation and Co-location Scrutiny Committee meeting held on 03.09.16**

John Davies presented an update on the work of the Relocation and Co-location Scrutiny Committee that met on 3 September.

It was noted that Carmarthenshire County Council was expected to publish a decision regarding the planning application in the coming weeks.

JD explained that a grant application had been submitted to the Welsh Government, and that S4C officers had sent a letter of support to the Government at the request of the University.

[Summary: With reference to the background to the grant application, it was noted that where to seek a grant was a matter for the University. They are hoping to obtain further information regarding the application within the next two weeks.

He said that the DCMS are still considering S4C's lending powers and the need to ensure that no loan is interpreted as additional grant money was noted. Planning consultants are continuing to draw up an application for the estate at Llanishen.]

There was a discussion about the plans for discussing the Relocation options with staff, including the timetable, the packages and the help available. The Committee was aware of the potential risk to the continuity of S4C's business from losing staff, and was very keen to ensure appropriate opportunities during the next phase to scrutinise the project and monitor the risks. It was explained that a clearer picture would be available by March when relevant staff had to inform S4C of their relocation decision.

[Summary: In the context of the Co-location project, it was noted that the proposed agreement for Technical Services with the BBC was key to S4C. It is proposed to present a draft of the agreement to the Authority in November.]

There was a useful discussion about the risk register, and the need to update it to reflect the officers' assessment of the main strategic risks and what needs to be done to manage the risks. It was noted that the Committee had decided that the Risk Register for the Relocation and Co-location plans should be provided to Members every six weeks to enable the Committee to regularly monitor the risks.

8.3

Report of the Audit, Risk Management, Personnel and Remuneration Committee meeting held on 05.09.16

HHE presented a report of the meeting of the Committee held on the 5 September and explained that the main business of the meeting was to discuss the appointment of external auditors for S4C. A normal business meeting will be held in November when there will be an opportunity to consider the Committee's wider work, including the strategic risk register, the Authority's Effectiveness Update, an update on the work of the internal auditors and personnel issues, including considering the work of the Scrutiny Committee of the Relocation and Co-location projects.

[Summary: The current external audit contract expired at the end of the 2015/16 financial year and therefore there was a need to tender for external auditors for the period 2016/17 to 2018/19. Following interviews the Committee decided unanimously to recommend one of the companies to the Authority as S4C external auditors. It was explained that the Broadcasting Act 1990 (Schedule 6, Para 12 (2)) states that the Secretary of State is responsible for approving the appointment of External Auditors for S4C and therefore it was necessary to submit the Authority's recommendation to the DCMS so that the Secretary of State can approve the appointment.

The Authority approved the Committee's recommendation to appoint S4C's external auditors and to present the recommendation to the Secretary of State for approval.]

Other matters discussed

There was also an opportunity to refer to the following issues at the end of the meeting.

PWC Report on the Commissioning Process

The Committee has been waiting to receive the report for some time, and as PWC has now completed the report it was presented to the Committee for information for the time being. There will be an opportunity to discuss the report in detail at the November meeting.

Relocation Packages - approval of update

[Summary: There was a discussion about the update to the packages for S4C staff who decide to relocate to Carmarthen. There were answers to a number of questions raised on the packages and it was explained that BECTU representatives were satisfied with the revised packages. Following discussions, the Committee decided to approve the changes to the Relocation Packages.

The Authority noted the Committee's opinion and the recommended changes.]

8.4 Report of the Commercial Board meeting held on 12.09.16

HHE presented a verbal report of the Commercial Board meeting held on 12 September.

[Summary: To begin there was a presentation to the board by representatives of Sky Media about the sale of S4C's advertisements and the current and future market situation. Following this a presentation was given to the board by a representative from Sarasin about S4C's investments. The remainder of the meeting was allocated to receive presentations and hold a detailed discussion on two of the main Commercial Board projects at present.]

9. Viewers' Hotline Report

The Viewers' Hotline report was presented for information.

10. Complaints and Compliance Report

No complaints were received from the Viewers' Hotline to be presented to the Authority for attention.

11. Any other business

No other matters were discussed.

Date of next meeting:

Thursday, 10 November, 2016