

Present:	Huw Jones	(Chairman)
	John Davies	(Member of the Authority)
	Hugh Hesketh Evans	(Member of the Authority)
	Guto Harri	(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)
	Amanda Rees	(Creative Content Director)
	Sharon Winogorski	(Chief Finance Officer)
	Steve Thomas	(Strategy and Policy Adviser)
	Phil Williams	(Secretary to the Authority)
	Bethan C. Williams	(Assistant to the Secretary to the Authority)

STANDING ISSUES:**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 404 and Matters arising

The minutes of meeting number 404 (held on 12/01/17) were presented. The Authority approved the minutes.

3. Action Points and Decisions Register

The Action Points and Decisions Register was submitted for information.

4. Welsh Language Standards Action Plan

GW presented the proposed Welsh Language Standards Action Plan which explains how S4C will implement the relevant language standards.

The following comments were noted:

It will be necessary to ensure that temporary staff receive training in relation to the requirements of the standards.

It was noted that many of the commitments should be modified to identify "who can provide a service".

The implications of the standards for documents issued by S4C were queried and GW stated that the intention was to undertake to publish bilingual documents, but that S4C also had the right to publish Welsh-only documents.

It was explained that the basic principle was that Welsh should not be treated less favourably than English, and so documents could be published either in Welsh only or bilingually.

It was noted that the standards did not apply to broadcasting activities and to the creation of S4C's content.

There was a discussion about the responsibilities of independent producers in complying with the requirements of the Welsh Language Standards. It was noted that the responsibility for compliance was relevant to S4C itself and not its suppliers. However, it was suggested that consideration should be given to encouraging S4C's suppliers, where relevant, to act in accordance with the principles of the standards.

5. **Chairman's Report**

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

The Welsh Affairs Select Committee

The Chairman and Chief Executive presented evidence to the Parliamentary Select Committee on Welsh Affairs. The issues discussed were:

- S4C's current financial position and the impact of financial uncertainty on S4C, including the impact on the service and its elements such as the subtitling and HD provision;
- How Brexit could affect S4C;
- Information about the bid for borrowing powers;
- An update on the preparation for the Review;
- What will be the main challenges of the new Chief Executive;
- The relationship between S4C and the BBC;
- An update on the Relocation scheme and the Egin centre and the UWTSD's application for grant funding for the development of the Egin. In reply, there was an opportunity to confirm that S4C had received a "binding assurance" from UWTSD for the development and funding of the Egin.

The Egin centre

[Summary: Members were given an update on the project's plans, including funding issues.]

It was noted that there would be an opportunity to discuss the Egin development further when discussing the Chief Executive's Report.

Meeting of the Chairs and Chief Executives of DCMS funded bodies

The Chair and Chief Executive recently attended a meeting for the chairpersons and chief executives of DCMS public bodies. The implications of Brexit were amongst the

main discussion topics. There was also an opportunity to speak to Sue Owen, the Permanent Secretary as well as the Minister, Matt Hancock.

6. **Chief Executive's Report**

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

Update on the TSA discussions with the BBC

EM presented an update on the negotiations with the BBC regarding the TSA agreement. It was explained that progress had been made in relation to a number of issues during the last month. Members stressed that the arrangement, and the financial elements in their entirety, would need to be considered in order to determine whether the TSA agreement offers S4C the best value.

[Summary: There was a discussion about the timetable for agreeing to the project's provisions.]

The System for Providing Producer Feedback (Appendix B3)

AR presented an example of the way of providing feedback to producers.

Meetings had been held with several companies in order to provide them with feedback and there was generally a positive response to the format. It is intended to provide feedback of this type to the larger companies quarterly. It was noted that a similar procedure would be used to provide feedback to smaller companies, but that the smaller companies would receive the feedback following the broadcast of their programmes or series.

It was noted that the example presented focused on the quantitative performance and she was asked how an assessment of the qualitative performance would be presented and discussed. AR explained that she was keen to combine the statistical analysis on paper with a discussion about the qualitative elements of the programme performance during the quarterly meetings with the producers.

The Authority's desire to ensure that officers provide such comprehensive feedback to the companies to facilitate an open and productive discussion about the success of the service was noted.

Data Collection Scheme (Appendix C1)

GW gave an update on the data collection scheme. It was explained that over the next few months the BBC will oblige users of the iPlayer to register and create accounts in order to continue viewing content through the iPlayer. It will be necessary to understand the effect of the scheme on the watching of S4C via the iPlayer and the use S4C can make of the data collected by the BBC on the watching of S4C content.

It was explained that the intention was to launch a registration system for the S4C website following the BBC launch, and that this would allow S4C to learn any lessons from the BBC process. It was noted that only one and a half members of S4C staff are partly working on the data collection and registration scheme and that this meant that any developments would take a long time to realise.

It was suggested that opportunities to collaborate with the BBC should be considered, for example within the TSA agreement, in order to benefit from their

registration developments and their tailoring of the iPlayer for each user. Collaboration on projects rather than the duplication of effort could create financial savings for S4C.

S4C's efforts to persuade people to register for **FyS4C** and to receive the monthly e-mail newsletter were discussed. Officers were asked how S4C targets the viewers and it was explained that attending events such as the Eisteddfodau and shows continues to be an important means of attracting new subscribers.

It was suggested that the membership of partners such as the Royal Welsh Show, and the Eisteddfodau should be taken advantage of in order to promote S4C's output. GW confirmed that use was being made of partners' newsletters.

[Summary: There was a discussion about S4C's current e-mail scheme.]

New Content and Digital Strategy

AR presented the new Content and Digital Strategy which was a development of the outline presented to the Authority in December.

She explained that the main headings of the strategy focused on:

- ensuring longevity for S4C services;
- varying the audience demographics; and
- being less dependent on the current core audience.

The headings of the plan were described as:

The Plan:

- turning the light viewers into more consistent viewers;
- reducing the average age of S4C viewers;
- targeting 45 - 64 and 16 -34-year-old viewers; and
- targeting less fluent speakers, non-Welsh speakers and viewers in mixed homes.

The Content

- Creating conversation, Touching the Heart, Firing the Imagination.

The Message:

- S4C - close to you and taking you afar.

Recent performance - positive factors:

- reach in Wales has stabilised;
- a higher percentage of viewers under 16 than any other PSB;
- S4C's average AI (79) higher than other PSB's in Wales (75);
- An increase in programme viewing sessions online (over 8.30 million in 15/16); and
- An increase in online clip viewing sessions - 2.7 million in January 2017.

[Summary: She referred to a number of areas where there was a need to consider ways of improving performance such as the distribution of viewing within the audience and the age of some audience groups. The relevance of S4C's existing

performance measures to the new strategy was discussed]:

Members noted that an ambitious marketing and promotional plan will be required to coincide with the Content Strategy.

A note of caution was voiced about the emphasis placed on young people by each broadcaster, noting that there was a need to ensure that the strategy appealed to a new audience but not by turning its back on the traditional audience.

[Summary: It was explained that there was a proposal to introduce a number of changes to the timetable, and that further information would be published in due course.]

AR was thanked for her presentation and for producing an ambitious and exciting strategy for the service.

The Content and Digital Strategy was approved.

7. 2017 Review

It was noted that the Chairman and PW would be meeting DCMS officers tomorrow to discuss a number of issues including the preparations for the Review.

IHJ presented a report containing a timetable for the preparation for the review and explained that the purpose of the draft document was to present S4C's vision for the future.

ST presented an outline of the document's contents. It was explained that the intention is for the document to look different - bold, colourful, and not 'corporate'. It will use a number of different techniques to present the information - the size of the document will be more than usual, including pictures, a dust jacket, and pages that will open out in the middle. The online version will give the reader an interactive experience.

IHJ explained that he was keen to have the Members' input and guidance, and that the intention is to obtain the approval of the Authority for the final version at the next meeting of the Authority and for it to be published in the third week of March.

There was a discussion about the narrative and content of the document, and the following matters were specifically mentioned.

It was noted that it was important to present a positive message based on the current success of the service, rather than presenting a negative picture of the limitations of the service and what cannot be done at present.

An element of concern was noted that the document does not explain clearly enough what S4C is seeking from the review. Clear intellectual arguments will be required for each element of the vision in the presentation or document summary.

There is a need to emphasise the cultural, linguistic and economic value of S4C's service.

There was support for the definition of S4C as a content provider rather than only a television broadcaster, but there is a need to be able to explain clearly why the remit needs to be updated in order to achieve this.

If the requirement to update S4C's remit is an important issue, then it should be

ensured that what S4C demands, and the rationale of what the change would enable S4C to make, is clear in the document.

With reference to the nature of the document it was suggested that any documents should not appear to be costly.

It was suggested that more elements of the Content Strategy need to be included in the document, in order to convey the excitement and potential of the vision.

The document tends to focus on short form content specifically rather than the ambition for family viewing that is evident in the new Content Strategy.

[Summary: There was a discussion on the development of online viewing platforms for S4C content, and the importance of S4C's partnership with the BBC iPlayer was noted.]

Financing

There was a discussion about the narrative of the document in relation to S4C's financial requirements and the Secretary of State's 'adequate funding' duties.

It was noted that the review is an important opportunity to set the principles for considering adequate funding needs in the future, with reference to the recognised principles of the EBU for considering the funding needs of PSB/PSM broadcasters.

In terms of presenting the financial needs, it was noted there is a need to ensure that the link between the vision and the resources that would be needed to make it is clear to the reader.

[Summary: Reference was made to the financial amounts set out in the draft document. Members were of the opinion that the financial amounts should be included in order to illustrate the challenge facing S4C].

It was noted that further consideration should be given to how to present the financial options, ensuring that the link between the Content Strategy and the difficult options in terms of extending and modernising the provision is clear to the reader.

It was suggested that a comparison of the cost of S4C's provision should be included with the average costs of other broadcasters' genres in order to give the context of the difference between S4C's ability to invest in content and to compete with other broadcasters, and the value for money that S4C and the production sector provides.

Officers were asked why there were no prominent references to the Relocation and Co-location projects. It was noted that there were references to the projects in the document, but further consideration would be given to the means of presenting the projects.

Corporate issues, accountability and corporate governance

A discussion was held on corporate governance, accountability and governance issues. It was noted that the Authority needed to determine the detail of the narrative, including whether to present and recommend a new structure for S4C as an organisation or to use the document as an opportunity to lead the discussion and present relevant principles.

It was suggested that it should present the discussion about possible options and

models for corporate governance rather than outlining a single model. The principles underpinning the activities of a public service broadcaster are important to any proposed model.

S4C's view of not expressing a preference in relation to its accountability to either Westminster or the Assembly remained reasonable and relevant, but some of the questions and issues to be considered should be clearly explained such as accountability to the financial source/s and the relevance of issues where responsibility for services across the UK remains in Westminster - such as issues with the EPG and the planning of radio wavelengths. S4C's willingness to present its Annual Report and Financial Statement before the Assembly each year, as has been stated to the Assembly Committee recently, should also be emphasised.

Members noted that the terms of reference of the Review would need to be considered before being able to consider which questions to answer and what emphasis should be placed on the elements of the document.

The options for launching the document were discussed, and it was agreed that events should be arranged in Cardiff and London to present the vision to elected members in the Assembly and Westminster.

It was decided that the Authority's comments should be considered and, where appropriate, incorporated into the revised version of the report to be submitted to the Authority for approval in March.

Loteri Cymru Project Update

EM presented an update on the Loteri Cymru Project and noted that the intention was to launch the project in public on 20 March, subject to confirmation by the project board at its meeting on 17 February.

The Relocation Project and the Egin development

IHJ presented an update on the Relocation scheme. He referred to an Appendix that provided answers to a number of questions that the Authority has identified in recent months regarding the background of the Relocation project.

Members queried the context of the public debate about the plans for the Egin. IHJ explained that the UWTSD grant application did not affect S4C's plans, as UWTSD had provided an undertaking to secure the financing of the scheme back in 2014, whether there was a successful application for grant funding or not.

He noted that the Chief Executive of Carmarthenshire County Council had indicated that the plans of the new road were progressing according to the project timetable.

An update was requested on the plans regarding planning permission for the Llanishen estate and it was explained that the planning consultants were in the process of preparing a request for pre-application advice for residential use only. Discussions were also ongoing with another potential buyer.

IHJ noted his disappointment that recent news reports had disregarded many relevant facts and had presented a misleading picture of the plans for the Egin and S4C. Concern was expressed by Members that press reports on the UWTSD grant application were damaging S4C's reputation. An element of frustration was expressed at the interpretation that a "financial gap had appeared".

Training Strategy

It was noted that discussions with TAC are continuing and it is hoped that an agreement will soon be reached on a plan with TAC.

Staff appraisal process

IHJ noted that the annual staff appraisal process had started.

Content and Insight Report, Quarter 3, 2016-17

AR presented the Content and Insight Report for Quarter 3 2016-17.

She referred to the performance of the television service indicating a 6% increase in reach among Welsh speakers in Wales, but a year-on-year decrease outside Wales. As could be expected, the reach remains more volatile outside Wales. Despite this, the pattern was up over the last five years.

It was explained that the main factors responsible for the fall outside Wales were less viewing of children's programmes, the decline in the performance of Saturday night programmes due to the nature of the Pro12 games, and fewer hours of sport. The comparison of BARB with TRP figures was raised and it was noted that the patterns appeared constantly, although the TRP figures remained higher.

S4C's online viewing sessions had increased by 6%. The BBC was at present changing the method of measuring the viewing sessions to the iPlayer and it will be necessary to assess whether the change has affected the viewing of S4C's content in due course.

S4C's output over Christmas was discussed and although the service's reach was slightly lower than last year due to the nature of the sports available for broadcast, it was noted that Y Gwyll, Cantata Memoria, Marathon Eryri, Hen Blant Bach and Stori Mabwysiadu had succeeded in attracting the audience

8. Presenting the draft minutes from the Authority's Committee Meetings

Minutes of the meeting of the Content Committee held on 1 February

HJ presented the draft minutes of the meeting of the committee held on 1 February.

[Summary: The Committee discussed topics including Noson Lawen, Anita, and Deuwadau Rhys Meirion, presenting contemporary music, further collaboration with the BBC and S4C's film policy.]

Commercial Board Meeting held on 8 February

HHE presented a verbal summary of the Commercial Board meeting held on 8 February, and noted that a written report would be provided for the Authority at its next meeting.

He specifically referred to the following issues.

Income

[Summary: A summary of the performance of advertising sales and the LLP Sarasin fund during the period was presented.]

Fferm Cyw Project

The Board received a comprehensive presentation on the feasibility of the proposed Fferm Cyw project. A question was asked whether the external consultants who had been advising the Board had considered the financial feasibility of the venues. It was explained that two consultants had scrutinised the financial plans and had considered the feasibility of the project.

It was decided that the appointment of an external consultant should be recommended to assess the appropriateness of the scrutiny processes for the proposed schemes in the Authority and the Commercial Board.

9. **Quarter 3 Financial Report, 2016-17**

SW presented the Financial Report for quarter 3 2016-17.

10. **Discussion on the programmes from the past month**

[Summary: There was a discussion about the past month's programmes and amongst those mentioned were entertainment, drama, current affairs and children's programmes.]

11. **Viewers Hotline Report and Complaints and Compliance Report**

The Viewer's Hotline Report and the Complaints and Compliance Report were presented for information.

12. **The Authority's Work Programme for 2017 - 18**

An update to the Authority's Work Programme for 2017 - 18 was submitted for information.

13. **Any Other Business**

No further issues were discussed.

Date of next meeting: Thursday, March 9, 2017 in Cardiff