



S4C Authority Meeting Minute

11 May, 2017, S4C, Llanishen, Cardiff

Meeting No. 407

Present:	Huw Jones John Davies Hugh Hesketh Evans Siân Lewis Elan Closs Stephens	(Chairman) (Member of the Authority) (Member of the Authority) (Member of the Authority) (Member of the Authority)
S4C Staff:	Ian Jones Elin Morris Gwyn Williams Amanda Rees Phil Williams Bethan C. Williams Catrin Hughes Roberts Sharon Winogorski Garffild Lloyd Lewis Huw Jones	(Chief Executive) (Director of Corporate and Commercial Policy) (Director of Communications) (Creative Content Director) (Secretary to the Authority) (Assistant to the Secretary to the Authority) (Director of Partnerships) (Chief Finance Officer) (Director of Relocation and Projects) (Senior Statistical Officer)
Apologies:	Guto Harri	(Member of the Authority)

STANDING ISSUES:**1. Welcome and Declaration of interest**

The Chairman welcomed all present to the meeting and especially ECS following the recent confirmation of her appointment as an independent Member of the Authority by the Secretary of State. He explained that the Secretary of State had decided to confirm the continuation of ECS's term as a member of the Authority as the BBC Trust had come to an end in April.

He 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 406, Notes from the April Discussion Meeting held on 13 April, and Matters Arising

The minutes of meeting number 406 (held on 09.03.17) and the minutes of the discussion meeting held on 13 April were presented.

The following matters were noted.

2.1 [Summary: The title of the minutes was discussed along with two language corrections to the minutes].

The minutes of the March meeting were approved incorporating the above corrections.

Notes from the informal meeting in April

[Summary: The notes from the informal meeting in April were presented and it was explained that there was no quorum of Members present, and as a result the Authority's business meeting was not held in April.]

The meeting was given a presentation by Beaufort on the tracking of S4C's image in 2016-17; a copy of the presentation was circulated to Members.

There was a discussion about the survey's questions and their relevance to S4C's service today. It was suggested that S4C could consider updating the questions, but due to the long-term nature of a tracking survey, the need to ensure consistency of questions was noted.

Membership of the Authority

The Chairman referred to the membership of the Authority, stating that he was very pleased that ECS would continue to be a member until 2018, but noted that he was still worried about the pressures on members due to the lack of appointment of new members by the DCMS. The term of some other members will end in 2018, and therefore the need to ensure full membership soon becomes increasingly important.

He explained that he had been discussing new appointments with the DCMS since 2016, and that a number of dates had been agreed for the advertising campaign, but there were a number of issues, unrelated to S4C, that had arisen within the Government that had prejudiced the process. He hoped that the timing of the DCMS review would not affect the appointments process. All relevant documents have been agreed with the DCMS since December 2016, and it is hoped that the campaign can be launched shortly after the general election.

Minute 5.1.4 - It was noted that the name of the charitable company was Hanfod rather than Hapnod.

3. Register of Action Points and Decisions and Matters Arising

The Register of Action Points and Decisions was presented for information.

Yr Egin - IHJ noted that he had received a letter from the UWTSD Vice Chancellor in April, and that a copy had been circulated to Members.

Update to the 5 year Financial Plan. It was noted that SW will present an update to the plan at the June Authority meeting.

4. Chairman's Report

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

Culture, Welsh Language and Communications Committee of the National Assembly

The Chairman and IHJ will present further evidence to the Committee next week. It

will be an opportunity to respond to a number of points that have arisen during the Committee's evidence sessions.

[Summary: Comments were made by some witnesses regarding the relationship between S4C and Ofcom, with some suggesting that S4C should be regulated by Ofcom, or that Ofcom should license S4C's service. It seemed that there was an element of confusion related to the subject, since S4C is already regulated by Ofcom, with S4C paying an annual regulation fee of £16k to Ofcom, and the Communications Act gives Ofcom the right to fine S4C.]

It was suggested that we need to explain more clearly to stakeholders that Ofcom regulates S4C's services. Reference could be made to issues such as the ability of Ofcom to fine S4C, to the fact that S4C regularly provides Ofcom with information regarding the performance of S4C services and that S4C already has a relationship with Ofcom and pays a regulatory fee to Ofcom.

Members discussed the suggestions made by some to the Committee that S4C should take responsibility for wider issues, such as Welsh language broadcasting as a whole, or that S4C be given the responsibility to promote the Welsh language and to fund organisations that promote the Welsh language.

Concern was expressed regarding the recommendations, noting that there was a risk that S4C would eventually become a funding body providing funds for all Government Welsh language activities and that this would compromise S4C's ability to provide, and to finance, the television service and on-line in Welsh.

This would also limit the plurality of Welsh media and activities.

It was suggested that there is a need to continue to explain how S4C can play an important role in developing and promoting the language, and in supporting the Welsh Government's ambition to increase the number of Welsh speakers to a million by 2050, without it becoming a linguistic development body rather than a broadcaster.

Meeting with Cymdeithas yr Iaith officers

[Summary: The Chairman and ST had met a representation from the Welsh Language Society. There was an open and comprehensive discussion on a number of issues.]

Proposed arrangements with the BBC Unitary Board: Draft Financial Assurance Report

The draft Report submitted to the discussion meeting in April was raised and it was noted that it includes a suggestion of the type of information that it would be appropriate to submit to the BBC Unitary Board twice a year. The Authority decided that the draft was suitable for discussion with the BBC.

5. Chief Executive's Report

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

Partnership Report for 2016-17

CHR presented a report on the work of the department during the last year, and the plans for the future. It was noted that ST, SH and GG had undertaken much of the

work during CHR's maternity leave.

She referred to the following in particular.

- A plan of events had been organised during the Summer Events, including partnerships such as Sinemaes, and the use of the S4C building by partners.
- The Bafta Cymru partnership has been successful, enabling BAFTA to hold showings outside Cardiff in order to reach a new audience.
- Discussions continue with the Millennium Centre to further develop the partnership.
- The Labordy II scheme is being developed with the Arts Council of Wales.
- There will be changes to the Children's Poet for Wales scheme next year. Although the scheme has offered opportunities to S4C in the past, as the target audience is older than the Cyw audience, it does not offer the same opportunities to promote the on-screen provision.
- A partnership has been established with the new Welsh Language Learning Centre and it is hoped that there will be opportunities for S4C and the Centre to work together as the Centre develops a new syllabus for Welsh for Adults.

[Summary: A question was asked about creating a partnership with the WJEC. CHR explained that establishing a partnership with the WJEC is an aspiration, but that the discussions are continuing.]

The Relocation Scheme – update on the staffing position

[Summary: GLL presented an update on the relocation scheme, and explained that the process of holding one-to-one meetings with members of staff whose posts are relocating to the Egin had been completed. Although staff were not required to make a permanent commitment at present, a large number of staff had indicated their choice. Information was presented regarding the decisions of those staff whose jobs are moving to the Egin.]

Members asked whether officers had concerns that the staff who had agreed to a trial period could leave either during or at the end of the period, and whether this could be a greater risk than the period of the move itself.

GLL explained that such risks could arise during and at the end of the trial period, especially as staff notice periods are relatively short, with the majority having to give between 1 and 2 months of notice.

[Summary: There was a discussion about the options for the location of a number of staff with specific roles.]

[Summary: GLL was asked about S4C's ability to recruit new talent in the Carmarthen area. He explained that a work stream including recruitment and internal talent is being developed and that there is an intention to attend job fairs in Carmarthen to advertise the type of jobs that may be available at S4C in the future.]

SW presented an update on the financial projections of the costs of the relocation and redundancy packages. It was explained that the figures are still projections, and that it will not be possible to know the final costs of the project until after the end of

the transition periods (6 months and 12 months). However, a range of scenarios had been developed which set out the likely costs together with the maximum cost of the project.

A number of staff had already visited the Egin site and had taken the opportunity to see the resources available to S4C staff on the university campus. The response had been positive so far and it was noted that there will be opportunities for more staff to visit the site over the next few months.

It was noted that there would be an opportunity for Authority Members to visit the site during the afternoon before the Viewers' Evening on 25 May. GLL will co-ordinate the arrangements for Members wishing to visit.

Proposed TSA agreement

[Summary: It was noted that a meeting of the Relocation and Co-location Scrutiny Committee would need to be held in due course in order to scrutinise the progress in relation to the contract with the BBC and a recommendation for the details of the lease on the Egin.]

Policy on Political Broadcasts, Election Broadcasts and Referendum Broadcasts

An update was given on S4C's policy with respect to Political Broadcasts, Election Broadcasts and Referendum Broadcasts. It was explained that there was a statutory requirement for the S4C Authority to include political broadcasts and referendum campaign broadcasts on S4C, to publish a policy on how it will meet this duty, and to review and revise that policy from time to time. In reviewing the policy, the S4C Authority must take note of the rules set out by Ofcom in relation to political broadcasts and referendum campaign broadcasts. Ofcom has recently changed its rules in this field.

Following a public consultation in January 2017, Ofcom announced their decision to amend their rules on political broadcasts and referendum broadcasts. It was explained that the recommendation submitted responds to the changes to Ofcom's Rules.

When considering the allocation of Political Broadcasts slots (PPBs), Ofcom's new rules indicate that one or more PPBs should be offered to parties with a relevant Parliamentary / Assembly seat in a relevant UK country, and where there is evidence of previous electoral support and / or current support that means that it would be appropriate to do so.

The rules continue to indicate that slots should be offered in the Autumn, Winter and Spring. When considering the allocation of Electoral Broadcast slots (PEBs), Ofcom's new rules continue to indicate that parties that put up candidates in at least one-sixth of the seats should accept one PEB. The rules indicate that parties should receive additional slots if the evidence of their previous electoral support and / or current support means that it would be appropriate to do so.

The four UK countries should be considered separately. There is now no reference to 'larger parties' in the rules.

It was explained that a company had been commissioned to prepare a report and recommendations based on the performance of the parties during recent elections.

There was a discussion on how to deal with complaints from the parties regarding

S4C's policy, and it was noted that any complaint would be dealt with in accordance with the usual complaints policy. It was also likely that any party that chooses to complain would complain to either the BBC or ITV before S4C.

The revised policy was approved by the Authority.

QUARTERLY ISSUES:

6. Content and Insight Report Quarter 4, 2016-17

AR presented the Content and Insight Report for Quarter 4 2016-17 and referred specifically to the matters below.

[Summary: There was a discussion about genres and series including children and young people, sport, drama, factual, comedy and entertainment.]

It was noted that the intention is to include more information on promotional activities related to the provision in the quarterly reports in order to assess the performance of the provision in terms of audience awareness and the performance of the service.

7. Report of the Content Committee meeting (held on 27.04.17)

[Summary: The Chairman presented a summary of the Content Committee meeting held on the 27 April and noted that the foremost work of the Committee was to consider the performance of the sports provision. SB gave a presentation on the performance of the sports output.]

8. Insight Report Quarter 4, 2016-17

HJ noted that the narrative of the annual report will be based on the findings of the assessment of the service's performance presented in the Insight Report.

[Summary: The Reach for the year was up 3% in Wales, with a 7% increase amongst Welsh speakers in Wales, but Reach outside Wales had fallen by 8%. The performance of the Wales v. Ireland football game had contributed significantly to the weekly average for the service.]

The total of on-line viewing sessions had fallen, with a fall in the iPlayer figures, but a small increase in S4C Ar-lein viewing sessions. The BBC's reporting methods had changed during the year, and this has probably affected the figures, with past figures potentially overstating the performance of some programmes such as children's cartoons.

New patterns were still developing in terms of the use of programme content and short form online, with a significant increase in viewing figures on Facebook. There are now around 2 million viewing sessions per month on Facebook, with a total of 18 million sessions during 2016/17.

When adding these sessions, the number of online viewing sessions has increased significantly. It was noted that this will be part of the narrative of the Annual Report.

9. Communications Report Quarter 4, 2016-17

GW presented the Communications report for Quarter 4, 2016-17, and specific reference was made to the following matters.

Gwaith Cartref

Workshops were held in secondary schools in the South East where pupils were given the opportunity to voiceover a scene from the series, before it was shown on Facebook. The scheme managed to reach 100, 000 people.

Jonathan

It was noted that the presenters' schedules made it difficult to co-ordinate any promotional activities, but it is hoped to film a promotional video for the next series.

St David's Day

Special idents for St David's Day were produced in collaboration with Cardiff Metropolitan University students.

Language Standards

It was noted that Sbec, S4C's intranet needs to be redesigned to comply with the new Language Standards and that work is under way to develop a new intranet.

English commentary on the red button

It was noted that a number of complaints had been received about the lack of English commentary on the Scarlets game. Gwifren staff had been given a brief, which endeavoured to explain the restrictions on S4C with respect to the broadcasting rights.

It was suggested that any message given to viewers should explain any restrictions clearly and simply without specifying contractual issues.

10. Financial Report Quarter 4, 2016-17

[Summary: SW presented the Financial Report for Quarter 4, 2016-17.]

SW was thanked for her report and the Authority's appreciation of the work of the Finance Team and of the positive findings of Grant Thornton's audit work was noted.

11. Annual Report 2016-17 – update

An update was given on the preparations for the Annual Report and it was noted that the announcement of the General Election had created some confusion in the laying and publication of annual reports this year. The DCMS expects to get more information from the Government regarding the Parliamentary timetable following the election. In the meantime, it was explained that the intention is to continue to prepare the report in the hope that it can be published in July.

It was noted that a draft of the report, based on the performance narrative presented in the Content and Analysis Report, will be presented to the Authority in June.

12. Reports of the meetings of the Audit, Risk Management, Personnel and Remuneration Committee held on 5 April and of the meeting before the Authority meeting held on the 11 May

The minutes of the meeting held on the 5 May were presented when there was an opportunity to discuss the reports of the internal auditors.

HHE presented a verbal report on the Committee's discussion, held on the 11th May, and it was noted that all Members of the Authority had been invited to attend the Committee meeting to discuss the Financial Statement.

It was noted that the Committee had considered the draft Financial Statement and the report of the external auditors, Grant Thornton, for the year. It was noted that neither Grant Thornton nor the Committee had any concerns to note regarding the content of the Financial Statement, but that the auditors still wanted more information regarding some elements of the S4C Masnachol equity investment portfolio. Grant Thornton needed to consider the annual report of the internal auditors, PWC, before submitting their final report. It was expected that PWC would present their report to the next Committee meeting on 25 May.

HHE presented the Committee's recommendation to the Authority to approve the Financial Statement. The Financial Statement was approved by the Authority.

13. **Report from the Commercial Board meeting held on 3 May**

A summary of the Board meeting held on 3 May was presented.

It was explained that there would be an opportunity for a discussion on the activities of the Commercial Board at the July Authority meeting.

Fferm Cyw

[Summary: A progress report on the Fferm Cyw project was submitted.]

It was explained that no decision had been made by the Commercial Board on the final location, and that officers continue to consider alternative options for the potential location of Fferm Cyw.

Officers were also asked whether suitable feasibility work had been undertaken in considering the suitability of the location of such an attraction in North Wales rather than in other areas of Wales with a larger population and where there has been a significant growth in the number of Welsh speaking children. It was noted that rigorous feasibility work had been carried out by S4C Masnachol officers, as well as by a number of consultants on behalf of the Board.

The recent question by the Authority regarding the 'longevity' of the Cyw brand was raised and it was explained that officers had considered the longevity of the brand, and that they considered there was potential to further develop the brand in Wales, and in terms of the commercial value of the brand as a format which could be sold internationally.

14. **Viewers' Hotline Report**

The viewers' Hotline report was presented for information.

15. **Complaints and Compliance Report**

[Summary: It was noted that no complaints had been received from the Communications Department that needed to be brought to the attention of the Authority. Two complaints that have received a response from the press office were noted.]

It was noted that the Committee expects to receive independent advice regarding the request for an internal review of an FOI request, and that the Committee would hold a meeting to discuss the matter when the advice is received.

16. **Authority Work Programme 2017-18**

The updated Authority Work Programme for 2017-18 was presented for information.

17. **Any other business**

Meeting of the Authority in July

It was noted that the University graduation ceremonies were making it difficult to find a hotel for Members in July. It was decided to continue with the 13 July meeting, without a change of location, by seeking a hotel for Members outside of Cardiff.

It was noted that the September Authority meeting will clash with the RTS conference in Cambridge. Officers will try to find a new date for the meeting that will be convenient for most Members.

No other matters were discussed.

Date of next meeting:

Thursday, 8 June, 2017