



**S4C Board Meeting Minute**  
**21<sup>st</sup> February, 2019, The Old Library, Cardiff**

**Meeting No. 424**

**Present:**

**Non-Executive Board Members:**

Huw Jones	(Chair)
Hugh Hesketh Evans	(Board Member)
Owen Derbyshire	(Board Member)
Rhodri Williams	(Board Member)

**Executive Members of the  
Shadow Unitary Board:**

Owen Evans	(Chief Executive)
Elin Morris	(Chief Executive Officer)
Amanda Rees	(Director of Content)

**Also present:**

**S4C Staff:**

Gwyn Williams	(Director of Communications)
Phil Williams	(Board Secretary)
Carys Evans	(Data and Analysis Team Leader) – Item 8
Sharon Winogorski	(Chief Finance Officer) – Item 10
Ruth Meadows	(Head of Digital Strategy & Analysis) – Item 7
Bethan C. Williams	(Assistant to Board Secretary)

**Apologies:**

Anita George	(Board Member)
Siân Lewis	(Board Member)

**MINUTES**

**STANDING ITEMS:**

1. **Welcome and Declaration of Interest**  
The Chair welcomed everyone to the Board meeting at The Old Library in Cardiff.

Members who had any interest in the meeting's business were asked to declare their interest.

*See the Register of Interests under the Board section on the S4C website for general declarations.*

2. **Minutes of Board Meeting Number 423 held on 24<sup>th</sup> January, 2019**  
Minutes of Board Meeting Number 423 held on 24<sup>th</sup> January were presented. It was noted that Amanda Rees' name needed correcting.

The Board minutes were approved including the change above.

3. **Matters arising from the minutes of Meeting 423.**

**The Archive and the National Library.**

An update was requested on the discussions with the National Library and it was noted that there was no progress to report.

It was noted that the BBC had confirmed that they would retain a digital copy of their archive and offer tape copies to the Library. It was confirmed that this was what S4C also proposed to do. The work of archiving a digital copy of all of S4C's relevant material would be complete by the autumn following which tape copies could be offered to the Library.

**Item 5 – Risks associated with the *timescale for Appointment of Chair***

OE noted that DCMS were continuing to consider the process for appointing a new Chair for S4C.

It was noted that discussing and agreeing the arrangements for the appointment process was a matter for politicians in Westminster and the Bay, but that the Assembly and more recently the Welsh Government were part of the process of appointing the Board Chair and Members since the Assembly was first established. The role of the Assembly had been formally noted since 1998 in a concordat between DCMS and the Assembly Cabinet.

It was noted that it was unlikely that DCMS would advertise for two additional members, which had been their original intention, until the autumn.

The Board had noted the risk relating to the appointment of the Chair in its meeting in January. The Chair had noted to DCMS that he would be willing to continue in post for a certain amount of time when his term ended to facilitate the process and ensure that S4C would not be temporarily without a Chair.

It was decided that OE would write to DCMS expressing the Board's concern about the timescale for appointing a successor to HJ and suggesting an extension to HJ's term to avoid a situation where S4C could be without a chair.

**Welsh Affairs Select Committee**

Reference was made to further letters from Mr. David T.C. Davies MP, Committee Chair, requesting further information about specific investments made by S4C's Commercial Group. A draft response had been drawn up in the Chair's name and circulated to Board Members for comment.

**Item 6 – Arrangements for repayment of DCMS loan**

It was noted that discussions had been held with DCMS's finance department regarding adjusting the cash-flow profile and repayments of the £10m loan to S4C to fund the Relocation and Co-location projects. Due to changes to the timing mainly of the Co-location project, S4C's cash-flow requirements had changed, and if the profile of the payments is not adjusted, this could appear as additional unspent income in the Financial Statement.

Treasury does not wish to adjust the profile therefore the Financial Statement will need to explain the purpose of the income clearly, and the difference in timing between being in receipt of the income and the associated expenditure, so that it doesn't appear as an increase in S4C's annual income.

**Item 7 – Broadcast of Pro14**

An update was given relating to the options for broadcasting the Pro14 and discussions with the BBC.

It was noted that broadcasting slot options for Pro14 would be presented to the Board when further information is received.

**4. Action Points**

The Action Points were presented for information.

It was emphasised that officers needed to provide an update on Action Points not completed prior to the March Board meeting.

**S4C Strategy - Million Welsh Speakers**

Reference was made to the October 2018 Action Points and it was noted that a progress report had not been submitted to the Board as required relating to the Government's target of a million Welsh Speakers. It was noted that a report to the Board should be provided.

**5. Chair's Report**

The Chair presented his report and referred to the following matters.

**BBC consultation on the TV licence concession for people aged over 75**

It was reported that an email response had been sent to the BBC following draft approval by Members.

**Ofcom**

PW noted that discussions were ongoing with Ofcom. Ofcom was offering to include a page on their website outlining the regulatory provisions relating to S4C.

**External Audit Arrangements / NAO**

PW and ShW had a positive meeting with the NAO, Treasury officials and the DCMS to discuss options for contracting the NAO to provide external auditing services for S4C for 2019/20, and prior to the amendment of the relevant statutory provisions.

It was decided that options should continue to be discussed to agree an external audit contract for S4C with the NAO on the basis that the contract would be relevant to the S4C Group (including the Public Fund and General Fund / Commercial Group), with access provided to the NAO to include access for financial auditing purposes and to continue to include value for money auditing (following the precedent of the 2013 Operating Agreement and the 2017 Partnership, Funding and Accountability Agreement).

**Committee Terms of Reference**

It was reported that work was underway to update the Committees' Terms of Reference.

It was resolved to circulate the revised draft versions of the Committees' Terms of Reference to all Board Members once drafted.

**Implementing the Review's recommendations / Update of statutory provisions**

OE reported that DCMS had drawn up instructions for Government solicitors to implement the legislative changes that would be needed to implement the Review's recommendations. A draft version of the instructions was expected in due course.

6.

**Chief Executive's Report**

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

**Co-location with the BBC**

OE referred to progress reports relating to the Central Square project provided by BBC Cymru Wales and noted officers' concern about the level of detail provided by the BBC's project team, and S4C's ability to scrutinise the project's progress and risks.

It was also noted that the Committee had decided to invite BBC project managers to the next Committee meeting to discuss the project's progress and risks.

**Minutes of the Quarterly JPB Meeting with the BBC**

The minutes of the quarterly JPB meeting were presented for information.

It was reported that S4C technical staff transferring to BBC employment in line with TUPE regulations would transfer on 25<sup>th</sup> February. The Chair and OE will write to staff thanking them for their contribution and noting the proposed contractual change, and that they would continue to be an important part of S4C activities and success in future.

**S4C VAT Status**

An update on discussions regarding S4C's VAT status was given.

**New Governance arrangements for S4C's commercial activities and the Protocol for investment by the Commercial Group in production companies**

EM presented revised arrangements for the governance of S4C's commercial activities and the Protocol for investment by the Commercial Group in production companies, following discussion with AG. Provisions were included to manage any conflict of interest, or the perception of a conflict within the Investment Panel.

The revised arrangements ensured that no sponsor from the public service could vote on the Investment Panel's decision to approve any investment that they sponsored. In addition, the Director of Content cannot vote to approve any investment in a company

which is producing or likely to produce content for S4C.

The Board approved the revised Arrangements and Protocol.

#### **Commercial Group Performance Update**

It was resolved to present the Commercial Group's half-year Performance Update to the Board in April, as part of the scrutiny process at the end of the financial year, and then in October half way through the financial year.

#### 7. **Communication Expenditure and Resources**

GW presented the Communication Expenditure and Resources report, including recommendations for the period 2019/20 to 2021/22.

The aim of additional investment was to increase viewing figures and audience awareness of S4C and the channel's provision.

It was explained that the proposed strategy was based on providing one substantial corporate campaign every year, including the promotion of *Clic*, *Hansh* and rebranding of S4C.

There had been consideration within the plan of what media to use to target specific elements of the audience, including traditional media where appropriate, together with digital media and new and alternative opportunities consistent with programme target audiences.

It was noted that the partnership and collaboration with the BBC needed to be developed to promote S4C provision and the 10-hour provision. It was reported that some programmes were happy to promote S4C provision, such as Al Hughes' programme on *Radio Cymru*, and *Pobol y Cwm*, but that promoting the Sports and Drama provision was more challenging.

OE reported that a strategic plan would be developed to plan the promotional activities, their impact and the relationship between the budget and content strategy, with a progress report to be presented to the Board either in April or May.

The Board approved in principle the recommendation made by GW to increase the annual investment in S4C's communications activities, whilst noting the need to better understand the expected impact of what could be achieved with the additional investment, and how this investment would affect the content budget and S4C's ability to continue to provide a wide range of high quality content.

#### **Editorial Agreement with the BBC**

It was suggested that officers should consider including specific provisions in the proposed Editorial Agreement with the BBC to promote the 10 hours of programming on the BBC's services.

It was also suggested that any matter of note and concern to S4C officers in terms of the relationship with the BBC (including joint promotional matters) should be recorded in the JPB minutes so that such matters could be brought to the attention of the S4C and BBC Boards in due course.

RM gave an update on digital and social media projects. She explained that the aim of the strategy was to increase awareness, interest and engagement with S4C online. The strategy will use partnerships, influential individuals and online communities to achieve its aim.

A fortnight's worth of *Clic* data had been lost over the Christmas period and officers were in the process of considering performance modelling methods over the relevant period.

A digital team has been set up within S4C including software developers, data experts and representatives from other departments.

Recent Clic developments included optional log-in and personal profiles. Future developments included curating your own content, 'casting' from mobile devices to a smart tv screen, and the provision of new box sets, including *Un Bore Mercher II*, before they are broadcast on the linear service.

It was noted that the ability to download content was not part of the current development plan due to technical complexities.

A third collection of box sets would be published in September, including programmes relevant to the education sector to coincide with the new academic year.

It was reported that a further update on the work of the digital team would be presented to the Board in May.

#### 8. **Monthly Analysis Presentation**

CE presented the new Monthly Analysis Report.

Reference was made to the difference between Clic and iPlayer viewing figure patterns since 2016-17 and whether the current Clic strategy and investment took the usage patterns of platforms into consideration.

It was explained that both platforms offered different opportunities for S4C. iPlayer was a well-known brand, available on a range of platforms that could not otherwise be reached in financial and technical resource terms by S4C, but only offered a 35 day archive from the linear timetable, whilst Clic gave S4C the freedom to provide more content such as box sets, archive content and content not part of the linear timetable.

#### 9. **Reports from Committee meetings**

The following reports from the Committee meetings held since the Board meeting in January were presented.

##### **Report of the Commercial Board meeting held on 13.02.19**

OE presented a verbal report from the meeting of the Commercial Board held on 13.02.19

The Board noted that they were eager to receive further information about the current investments, including equity investments and the Sarasin Fund. It was resolved to provide a copy of the Sarasin Regular Performance Report to Members in April / May.

##### **Parc Tŷ Glas Estate**

It was reported that work to prepare estate rental business plans was continuing, and that a number of tenants had already committed to taking office space in the building. Discussions are ongoing with a number of further prospective tenants.

##### **Teleshopping**

Members enquired about the teleshopping agreement and whether the arrangement was now compatible with S4C's brand values. It was explained that the arrangement had been very profitable in the early days of digital tv but that the income had now fallen substantially.

It was resolved to ask the Commercial Board to consider the appropriateness and value of the teleshopping arrangement and report back to the Board in due course.

#### 10. **Financial Report for Q3 2018-19**

ShW presented the Financial Report for Q3 2018-19.

#### 11. **Report from Committee Meetings continued**

##### **Report from the Content Committee meeting held on 20.02.19**

The Chair presented a verbal report on the Content Committee meeting held on 20.02.19. The Committee discussed provision for young people. Minutes from the meeting will be provided to Members in due course.

**Report from the Audit and General Purpose Committee meeting held on 20.02.19**

HHE presented a verbal report on the Audit and General Purpose Committee meeting held on 20.02.19, with specific reference to the following matters.

**Internal Audit**

It was noted that PWC would aim to complete the audit work by the end of the financial year.

**Presentation by risk area owner – Human Resources**

The meeting received a presentation by Catrin Whitmore, Head of Human Resources at S4C, as part of the series of presentations by risk area owners within S4C's business. The Committee received a clear and comprehensive presentation with an opportunity to ask questions about current staff risks, including the challenge of appointing staff at yr Egin with the necessary skills and experience, dealing with the TUPE process, preparing for Co-location and updating S4C's human resource systems and documentation.

**Q1 & Q2 Financial Assurance Report for submission to the BBC**

PW presented a draft Q1 & Q2 Financial Assurance Report for submission to the BBC Board under the provisions of the Partnership, Funding and Accountability Agreement. It was reported that the Audit and General Purpose Committee had considered a draft document at their meeting yesterday and resolved to recommend that the Board approved the Report.

The Board approved the Q1 & Q2 Financial Assurance Report for submission to the BBC and delegated to HHE the task of submitting and discussing the report with the Chair of the BBC Audit Committee as necessary.

**12. The past month's programmes**

A discussion was had on the past month's programmes.

**13. Report on the Viewers Hotline, Complaints and Compliance**

A report on the Viewers Hotline was presented for information.

**14. Programme of Work**

The Board's draft Programme of Work for 2019 was presented for information.

**15. Any Other Business**

No other matters were discussed