



S4C Board Meeting Minute
24th January 2019, Canolfan S4C, Yr Egin, Carmarthen

Meeting No. 423

Present:
Non-Executive Board
Members:

Huw Jones	(Chair)
Siân Lewis	(Board Member)
Anita George	(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 Creative Content)

S4C Staff:

Gwyn Williams	(Director of Communication)
Phil Williams	(Board Secretary)
Bethan C. Williams	(Assistant to the Board Secretary)
Huw Jones	(Senior Statistics Officer) – Item 7
Carys Evans	(Head of Data and Analysis) – Item 7
Sharon Winogorski	(Chief Financial Officer) – Item 10
Rhidian Dafydd	(Director of Projects) – Item 6

Apologies:

Hugh Hesketh	(Board Member)
Evans	

MINUTES

STANDING ITEMS:

1. **Welcome and Declaration of Interest**

The Chair welcomed everyone to the meeting.

It was noted that the Non-Executive Board Members had approved by email a recommendation by the Audit and General Purposes Committee in line with Order 12 of the Standing Orders, upon the recommendation of the Chief Executive, to appoint Elin Morris and Amanda Rees as Executive Members of the Shadow Unitary Board in line with the recommendation's conditions as given below:

"Presented below is a recommendation from the Audit and General Purposes Committee following its last meeting.

Under Item 4.1 on the meeting's agenda, the Chief Executive made a recommendation to appoint Executive Members to the Shadow Unitary Board.

The recommendation was to appoint the 'Director of Creative Content' and the 'Chief Operating Officer', namely Amanda Rees and Elin Morris, as Executive Directors on the Shadow Unitary Board.

[The recommendation is attached to this email as an appendix to the minutes for information.]

The recommendation was made in accordance with Standing Order 12 of the revised Standing Orders, allowing the appointment of a maximum of two Executive Members to the Shadow Unitary Board (as well as the Chief Executive).

The Committee discussed the recommendation and resolved to recommend that the Board approve the appointments and that the Board confirm that the appointments would last while the individuals were employed by S4C in their current posts, and that there would be no change to their employment terms and conditions with S4C following their appointment.

In accordance with the requirements of Order 12.2, it is recommended that the Board approve the appointments on the above conditions."

While noting that they accepted the appointments and terms specified, the Chair welcomed EM and AR to their first Board meeting following their appointments as Executive Directors on the Shadow Unitary Board.

Members were asked that if they had any interest to declare in the meeting's business to so declare their interest.

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

With regard to the activities of the Commercial Board and the sale of the Parc Tŷ Glas Estate to the Commercial Group, AG, OD, OE and EM declared an interest in the discussion as directors of the commercial subsidiaries.

There were no other declarations.

2. **Minutes of Board Meeting No. 422 held on 15th November 2018 and Decisions and Guidance from the Away Day held on 13th December 2018**

The minutes of Board Meeting No. 422 held on 15th November 2018 and Decisions and Guidance from the Away Day held on 13th December 2018 were presented.

The minutes were approved.

3. **Matters arising from the minutes of Meeting No. 422**

Investment Protocol – clear boundaries between public and commercial fund interests.

It was noted that AG and EM would discuss options and submit a recommendation on the protocol to the Board's meeting in February.

The Archive and the National Library

OE noted that discussions were continuing on cooperating on an archive project with the National Library but that there was no further update to report.

Formalising the arrangement with Ofcom

PW noted that a telephone meeting had now been held with Ofcom officials in Cardiff and London. It appears that Ofcom in London were not keen to sign a MoU with S4C since the statutory provisions were already in place. It was explained that confusion is often caused since S4C's regulatory arrangements are included in statute rather than by a service licence from Ofcom – which is now the case with all other public broadcasters, including the BBC.

Following the telephone discussion, it was agreed that Ofcom would amend the draft MoU and submit it as a joint letter for discussion with S4C.

Officers are expecting to receive a revised version of the draft document sent to Ofcom.

Audit arrangements with the NAO

It was noted that the DCMS had agreed to arrange a meeting with NAO officials and S4C to enable S4C to have direct discussions with the NAO. The initial meeting will be held before the end of the month. An update will be given to the Board in February.

Viewers' Evenings

A discussion was had on options for viewers evenings in future and it was resolved to consider options for viewers evenings in the Autumn, with an opportunity for the new Chair to provide input.

Welsh Government co-production fund

OE had had initial discussions with the minister about the Welsh Government co-production fund. The Government is developing a new international strategy in the hope of working together in future.

Extending runs of popular series AR hoped that runs of a number of popular series could be extended.

Minutes of Decisions and Strategic Guidance from the Away Day

The Minutes of Decisions and Strategic Guidance from the Away Day were approved.

4. **Action Points**

The Action Points were presented for information, with particular reference to the following.

Staff Survey

OE had discussed the Survey results with staff during the Away Day held at Yr Egin and had asked them for ideas for improving a number of issues identified by the Survey. The new Internal Communication Plan has also been shared with staff.

5. **Chair's Report**

The Chair presented his report with specific reference to the following matters.

Board Chairmanship and Membership

The Chair noted that it was unlikely that DCMS would advertise for new Non-Executive Members at the moment, despite the department's previous decision. The timetable for advertising for a new Chair had already slipped and was later than when advertising for a Chair in 2010/11. Other factors were cause for concern this time, such as Brexit and the fact that there were more Government departments involved in the process, which could cause delay. S4C had proposed a post-description and revised associated documentation to DCMS in October.

The Chair will meet with a Minister from the DCMS soon to discuss a number of issues, including the timetable for appointing a new Chair.

It was resolved to note that the timetable for appointing a new Chair was currently a risk for S4C and that OE would write to DCMS Permanent Secretary noting the Board's concern.

Westminster Welsh Affairs Select Committee

The Chair referred to the evidence session before the Select Committee, noting that the Committee Chair and Members had asked questions about a number of matters including implementing the recommendations of Euryng Ogwen's Review and specific questions about a number of S4C's commercial investments.

He noted that the Committee had misinterpreted a number of specific financial issues in relation to the accounts of certain companies. Following the session, a letter was sent noting the misinterpretation.

It was resolved to provide a copy to Members of the letter sent to the Committee.

S4C Christmas Reception in London

A discussion was had on the reception held at Westminster in December and noted that a range of stakeholders had attended the event.

It was resolved to consider the timing and location of the 2019 Christmas Reception.

BBC Consultation on Licence Fee options for people aged 75+

Reference was made to the BBC consultation on the current tv licence concession for those aged 75+, and it was noted that the Chair of the BBC was eager for S4C to respond to the consultation.

A discussion was had on the consultation, and the sensitivity of the matter, noting that S4C didn't usually express views on public policy issues, and that neither did S4C want to be seen to be linking S4C's level of public funding with income from the Licence Fee. It was important to ensure that the Secretary of State's duty to provide S4C with 'adequate funding' was not confused with the Licence Fee level.

It was resolved to circulate a draft response to Members for consideration.

6. Chief Executive's Report

The Chief Executive presented his report with specific reference to the following matters.

S4C VAT Status

An update was given on discussions in relation to S4C's VAT status.

Clic viewing figures and digital platform plans

OE noted that an element of Clic viewing session data for the Christmas period had been lost when moving Clic to the *https* secure server and that this had affected viewing figures data. Officers were considering how to respond to this for assessing performance over the period, and in terms of learning lessons with similar projects in future.

It was resolved that Ruth Meadows would give an update on plans for the Clic platform, including the Compulsory Registration project, to the Board's meeting in February.

Lessons learned from the Relocation Project

OE presented a report outlining lessons learned from the Relocation Project.

The Board noted that the report was comprehensive and balanced, noting the merits of the project and issues where lessons for the future needed to be learned.

It was resolved to monitor achievement of the project's long-term objectives annually and incorporating an assessment of the annual Staff Survey results in the process.

S4C Parc Tŷ Glas Estate

EM gave an update on the position of the S4C Parc Tŷ Glas Estate.

A vote was held on the recommendation to approve the sale of the Parc Tŷ Glas Estate to the Commercial Group, and as the only shareholder of the Commercial Group, to approve the purchase also. The Non-Executive Members and Executive Members voted unanimously in favour of the recommendation.

7. Performance of the service over the Past Month and Quarterly Report

The Chair proposed that the Quarterly Report / the Performance of the Service over the past month / the discussion of the past month's programmes / Viewers' Hotline report would be combined in a single discussion on the current performance of the service.

The one-page summary of Service Performance over the past month was presented by the Analysis Department.

It was agreed that this format achieved the purpose that the Board had in mind. The performance over the recent period was discussed, in the context of the whole year and previous years. The trend of other public broadcasters was also noted. The steps taken to strengthen the appeal to a wider audience from January was approved.

The monthly summary report format presented to the meeting was approved.

The meeting went on to discuss the service by genre.

8. Viewers' Hotline and Complaints and Compliance reports

The Viewers Hotline Report and the Complaints and Compliance Report were presented for information.

9. Communications Reports Q1 & Q2 2018/19

GW presented the Communications Reports for Q1 & Q2 2018/19 and noted that the plan was to amend the structure and content of the quarterly reports to more clearly convey the impact of specific promotional activity on service performance, with the long-term impact of activities tracked where possible.

It was resolved that GW would consider the format of the Quarterly Communications Report and try to produce a more concise format with more detailed analysis of the impact of activities on service performance and the achievement of strategic objectives.

It was noted that the department had had to deal with a lot of staffing changes over the past six months due to Relocation, with 7 members of staff having left,

10 new members of staff appointed and 2 on maternity leave. The new team was learning quickly, with the hope that it would stabilise soon.

A number of highlights in Q2 were mentioned, including the launch of Junior Eurovision and the Pro14 coverage. The promotional campaign for the Pro14 had been given priority and a similar investment made to that given to high profile drama series, which appeared to have succeeded in drawing attention and raising awareness of S4C's output.

10. **Financial Report Q2 2018/19**

ShW presented the Financial Report for Q2 2018/19, referring to the costs of the content budget for the quarter and the projections for the year.

Update on the Co-location Plan – Transfer of staff to the BBC under the provisions of TUPE Regulations and the TSA Agreement.

An update was given on the Co-location Plan, and specifically on the TUPE arrangements for staff that will transfer to the employment of the BBC under the provisions of the TSA Agreement.

34 members of staff will transfer to the BBC's employment on 25th February. On that day, BBC management will be at Llanisien to welcome them. S4C management will also be present, with the aim of ensuring that S4C's appreciation of their contribution is clearly communicated. It was noted that there was a need to continue to ensure that the staff concerned felt that they were a valuable part of S4C activities despite their change of employer.

It was noted that a request had been made for the BBC to provide more detailed updates on the progress of the Central Square project, in accordance with what has been agreed in the TSA Agreement. These updates are presented to the Board in line with the Board's decision (in March 2018) on reporting on the Relocation and Co-location projects.

12. **Reports of the Meetings of the Content, and Audit and General Purpose Committees held on the 12th December 2018, and Minutes of the Commercial Board held on the 7th December 2018.**

The draft minutes of the meetings of the Content Committee (12.12.18), the Audit and General Purpose Committee (12.12.18), and the Commercial Board (7.11.18) were presented to the Board for information.

13. **Programme of Work**

The Board's Programme of Work for 2019-20 was presented for information.

14. **Any Other Business**

No other business was discussed.



Appendix 1

The Chief Executive's Recommendation to the Audit and General Purpose Committee on appointing Executive Members to the Shadow Unitary Board.

With reference to S4C Unitary Board Executive Members.

As part of the new Unitary Board structure, the Chief Executive is included as a member under Standing Orders. The Audit Panel is authorised to appoint two Executive Members to the Board. I believe that these two appointments should offer:

- Expertise in areas that are essential to the success and governance of S4C to ensure that the activities of S4C can be discussed on a professional level.*
- Experience at a level that ensures discussion on a strategic level.*
- Experience at a level that enables discussion on a corporate level.*
- Experience at a level to understand burning issues and with the ability to refer to detail when required.*

In light of the above reasoning, I would like to propose the following as Board Members:

1. Director of Creative Content (DCC)

Since content is the focus of S4C's activity and the main channel for years to come, I would like to propose that the DCC is appointed as a Member. This function is responsible for all duties that spend the majority of S4C's expenditure (up to £67m in 2018/19). Performance in this area is, of course, crucial to the success or failure of S4C.

2. Chief Operating Officer (COO)

This function covers all S4C's operational work including Finance, Human Resources, Legal, Commercial, Technology and S4C Accommodation. This function provides a wide understanding of the organisation's activities and governance and a strategic level response to the fundamental requirements of S4C operations to aid in the success of the content on whatever platform.

I also suggest that the Director of Communication attends the meetings but on an ex-officio basis rather than as a full Member. This will ensure links with communication plans and S4C's response to news in a timely manner.