



S4C Board Meeting Minute

16 May 2019, S4C Llanishen, Cardiff

Meeting No. 427

Present:

Non-executive Board Members:

Huw Jones	(Chairman)
Siân Lewis	(Member of the Board)
Anita George	(Member of the Board)
Owen Derbyshire	(Member of the Board)
Rhodri Williams	(Member of the Board)

Shadow Unitary Board

Executive Members:

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

S4C Staff:

Gwyn Williams	(Director of Communications)
Carys Evans	(Team Leader Data and Insight)
Huw Jones	(Senior Statistical Officer)
Arwyn Rawson Thomas	(Head of Planning and Content Management)
Phil Williams	(Board Secretary)
Bethan C. Williams	(Assistant to the Board Secretary)

Apologies:

Hugh Hesketh Evans	(Member of the Board)
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STANDING ISSUES:

1. Welcome and Declaration of interest

The Chairman welcomed all to the Board meeting in S4C Cardiff.

He asked any member with an interest in the business of the meeting to declare their interest.

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

The interest of S4C officers in the discussion on the Report of the meeting of the Audit and General Purpose Committee relating to a general pay increase for S4C staff was noted.

There were no other declarations.

2. Minutes of Board Meeting 426 (held on 11.04.19)

The minutes of meeting number 426 held on the 11 April were presented. The Authority approved the minutes subject to one minor correction.

3. **Matters arising from Minutes 426**

Weather App - RM had contacted RhW to discuss the fault with the identification of users' location on Ap Tywydd. It was noted that the app has not been updated and discussions are continuing on the options for updating the app.

VAT – update

[Summary: EM provided an update on the discussions about S4C's VAT status with HMRC.]

BBC consultation on TV licences for people over 75

OE referred to the Secretary of State's positive response to his letter relating to the BBC's consultation on TV licences for the over 75s and the funding of S4C from 2022/23.

It was decided that the Secretary of State's response should be conveyed to the BBC, and that the Chairman should discuss it with ECS, OE should discuss it with RTD and PW should discuss it with the BBC Company Secretary.

4. **Register of Decisions and Action Points**

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

5. **Chairman's Report**

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

Update on the External Audit arrangements with the NAO

PW provided an update regarding the discussions with the NAO. A positive relationship was developing between the NAO and S4C. The process of agreeing a "letter of engagement" between the NAO and S4C is ongoing, and it is hoped to reach an agreement on the letter soon.

Discussions were also planned with Grant Thornton following the completion of work on the 2018/19 financial year in order to hand over to the NAO.

[Summary: The fee provisions and audit file archive were also discussed].

Ofcom

Ofcom's final letter to S4C, which had been included with the Chairman's report, was discussed, and it was explained that it will be published on the S4C website.

Extension of the Chairman's term

It was noted that DCMS had formally confirmed that the Chairman's term had been extended until the end of September. It is hoped that the Secretary of State will agree to the publication of the job advert soon.

The Chairman had discussed S4C's representation on the sift panel and the appointment panel with DCMS and it was understood that the longest serving Board member, HHE, will represent S4C on the panel.

Visit of Eluned Morgan AM, Minister for International Relations and the Welsh Language, to Yr Egin

It was noted that the Minister had visited Yr Egin earlier in the day. Staff from the Communications department had welcomed her and shown her around the building.

The new Board Secretary

The Chairman had met with Owain Lloyd. He will attend the Board meeting in either June or July.

6. Chief Executive's Report

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

Service Strategy

OE presented an overview of the proposed overarching Strategy. It was explained that all elements of the strategy had been developed following the commissioning of external and internal research about the opinions of the audience. The strategy also sought to manage the process of migrating content and the audience from TV platforms to online platforms.

[Summary: The strategy includes investing in promotion and creating specific content for online and digital platforms.]

Content Strategy

AR presented the main headings of the Content Strategy for the short term (up to 2020), for the medium term (2020 to 2022) and the long term (beyond 2022), indicating that firm objectives have been established for the periods in question.

During the period September 2019 - April 2022, several changes will be introduced to the timetable to try to offer something for everyone each night of the week between 6.30 and 10pm. The intention is to continue to prioritise the spending, to eliminate purchased programmes in the peak hours whilst not increasing the proportion of repeats.

[Summary: The use of S4C's reserves for promotion was discussed.]

Changes to the Schedule

AR referred to proposed changes in the schedule, noting that the first step would be moving the Sports slot from Saturday afternoon to Friday evening in August 2019, which will create financial savings and opens up slots for 'core' output on Saturday evenings.

The second step will be to move Newyddion, around March 2020, from 9 o'clock to 7.30pm, which is subject to confirming the date of the move of the BBC's news services to Central Square.

[Summary: There was a discussion on further aspects of the schedule.]

Rownd a Rownd would also move to 8.30pm on Tuesday and Thursday evenings, and Pobol y Cwm would have a regular slot every night.

The intention is to broadcast programmes with a wide appeal between 9 and 10 o'clock.

It was explained that no distinction should be made between commissioning ideas for television and online – we should attempt to break the boundaries that exist between digital and linear content.

[Summary: There was a discussion about the priority and timing of the emphasis on new platforms in the context of our reliance on our performance.]

The Chairman emphasised the need to consider the total audience size across all platforms, and what the impact of any changes in the provision across platforms would be on S4C's total viewing figures.

Officers were asked how the performance of the digital services could be measured, and OE noted that the intention is to develop a concise report, similar to the sheet of figures presented to the Board monthly.

It was agreed that the Insight Department would present the context and background of the metrics used for online viewing figures at the June Board meeting.

[Summary: When discussing the changes to the timetable, the need to ensure that the purpose of the sports provision was clear was noted and reference was made to the disadvantage of the lack of HD on Freeview. The publication of each episode of Merched Parchus on Clic had highlighted the use of YouTube to view them rather than Clic. Walter Presents will be an opportunity to promote the Clic platform. The need to plan the use of repeats carefully was emphasised.]

7. **Promotions Strategy**

GW presented the proposed Promotion Strategy.

He referred to the priorities of the Promotion Strategy, including the allocation of additional financial resources for promotion, developing digital promotional activities, and introducing significant campaigns for the promotion of Hansh, Clic and a new brand for S4C in due course.

[Summary: The level of investment in promotion over the years was discussed. Events, such as the Eisteddfodau and the Royal Welsh Show, along with the Folly Farm and Tafwyl festivals, were identified as key elements in promoting and spreading S4C's message. Due to financial constraints it is not possible to carry out intensive campaigns as in the past. The need to hold a major campaign in late summer and early autumn to attract the core viewers back was emphasised.]

It was noted that introducing a mandatory login on Clic will be helpful, as it will be possible to develop personalised promotions in the future.

8. **Industrial policy**

OE presented a background paper presenting research commissioned in order to develop a formal industrial policy for S4C.

Consultants had held discussions with representatives from the sector in order to ensure a better understanding of the needs and concerns of the sector, including in the fields of training, skills, partnerships, the relationship with S4C's commercial fund, the balance between the 'small' and 'big' companies, company identity and

independence, the issues of programme rights and securing appropriate human resources within S4C to develop the relationship with the sector and developing the proposed policy.

OE Referred to a conference of higher and further education providers which has been organised at Yr Egin presenting the opportunities within the Welsh language television industry for students. It was suggested that it would be beneficial if S4C representatives asked our conference partners to try and define the needs of the sector and the colleges.

[Summary: The need to make a clear distinction between an industrial policy and the commissioning policy and the importance of the statutory definition of an independent company in the light of company purchases were noted.]

8.1 The Board approved the overall direction of the Strategy presented above for 2019-27, including the following elements:

1. the introduction to S4C's Strategy;
2. Overarching Strategy: Timescales and Content 2019-2022
(including proposed Phase 1 and Phase 2 changes to the linear schedule),
and including an outline strategy up to 2027; and
3. Promotions Strategy 2019-2022
(including prioritising promotions and a revised budget for the department).

The proposal to produce an Industrial Policy for approval by the Board was also approved, using the research and principles presented in the discussion paper as a basis.

It was agreed that OE would produce Operational Objectives for S4C for 2019/20, using the headings and direction of the Strategy presented as the basis for the objectives, and that they would be presented for consideration and, if appropriate, the approval of the Board at its meeting in June.

9. **Government Spending Review**

It was noted that the preparatory work for the Spending Review was continuing.

10. **Service performance over the last month**

[Summary: HJ (Senior Statistical Officer) presented a summary of the service's performance over the last month.]

11. **Annual Report 2018-19**

[Summary: An update on the process of preparing the Annual Report was presented and it was noted that a design draft of the narrative and Report would be circulated to the Board within two weeks.]

It was agreed that the design draft would be circulated to the Board before the June Board meeting.

12. **Reports from the Committee meetings**

The following reports were presented from the meetings of the Committees held since the April Board meeting.

Report of the Commercial Board meeting held on the 8 May 2019

The minutes of the meeting of the Commercial Board held on the 8 May 2019 were presented for the Board's information.

Report of the Content Committee meeting held on 10 April 2019

The minutes of the Content Committee meeting held on 10 April 2019 were presented for the Board's information.

Report of a meeting of the Audit and General Purpose Committee held on 16 May 2019

The meeting of the Audit and General Purpose Committee held before the Board meeting was raised and it was noted that all Board Members had been invited to attend the meeting to receive and discuss the draft Financial Statement for 2018/19 and to receive the annual reports of the Internal Auditors and External Auditors.

[Summary: The Chairman presented the draft Financial Statement for 2018/19. The Board approved the draft Financial Statement for 2018/19 and authorised the Chairman to approve any updates as required.]

13. **Programmes from the last month**

[Summary: There was a discussion on the programmes broadcast during the last month.]

14. **Work Programme 2019/20**

The Board's revised work programme for 2019/20 was presented for information.

It was noted that the Work Programme had been amended in order to schedule the presentation of the Content, Insight and Communication Reports together on a quarterly basis, together with changes resulting from the change of pattern.

Further work will be undertaken on the Work Programme before the Board meeting in June in order to present a comprehensive overview of the work of the Board and its Committees for the year.

15. **Viewer's Hotline and Complaints and Compliance Report**

The Viewers' Hotline report was presented for information.

16. **Any other business**

No other matters were discussed.