



S4C Board Meeting Minute
25th October 2018, S4C Caernarfon

Meeting No. 421

Present:	Huw Jones	(Chair)
	Hugh Hesketh Evans	(Board Member)
	Owen Derbyshire	(Board Member)
	Rhodri Williams	(Board Member)
	Anita George	(Board Member)
S4C Staff:	Owen Evans	(Chief Executive)
	Gwyn Williams	(Director of Communication)
	Phil Williams	(Board Secretary)
	Elin Morris	(Corporate and Commercial Director)
	Amanda Rees	(Director of Content)
	Catrin Whitmore	(Head of Human Resources) – Item8
	Catrin Hughes Roberts	(Director of Partnerships) - Items 4 & 7
	Carys Evans	(Data and Analysis Team Leader) – Item 9
	Huw Jones	(Senior Statistics Officer) – Item 9
	Bethan C. Williams	(Assistant to the Board Secretary)
Apologies:	Siân Lewis	(Board Member)
	Elan Closs Stephens	(Board Member)

STANDING ITEMS:

- 1. Welcome and Declaration of Interest**

The Chair welcomed everyone to the Board meeting at Caernarfon.

It was noted that this was Elan Closs Stephens' last meeting as Board Member. Unfortunately, Elan was unable to be present today.

The Chair thanked her on behalf of all the Members for her service, dedication and important contribution to the work of S4C and the Board through several periods since 1998, and in particular since 2012 when Elan joined the Authority under the provisions of the new partnership with the BBC.

The Chair noted that he was glad to announce that the DCMS had reappointed Hugh Hesketh Evans for a period of two years. He was glad that Hugh will continue to lead the important work of the Audit Committee.

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

See the Register of Interests under the Authority Board section on the S4C website for general declarations.
- 2. Minutes of Board Meeting No. 420 held on 26th September 2018**

Minutes of board meeting no. 420 held on 26th September were presented.

The minutes were approved by the Board.

3. **Matters arising from the minutes of Meeting No. 420**
Members were asked to indicate when considering minutes in meetings in future whether they felt that more detail was needed on any minute.

4. **Action Points**
The Action Points were presented for information.

Welsh Language Standards Annual Report

CHR presented the draft Annual Report on implementing the Welsh Language Standards. It was explained that S4C was required to produce an annual report on implementing those Language Standards that are relevant to S4C's work.

The Annual Report was approved for publication on the S4C website.

Members enquired about the wider role of S4C in promoting the Welsh Language and working in partnership with the Welsh Government and other organisations to reach the target of a million Welsh speakers by 2050. It was explained that a meeting had been held with the Welsh Language Minister, Eluned Morgan AM, and that discussions were ongoing with Government officials to decide how S4C could contribute. The partnership work with other Welsh Language organisations was also important to increase the impact of S4C activities.

It was resolved to submit a progress report to the Board in February on S4C's strategy in relation to contributing to the Government's target of a million Welsh speakers.

5. **Chair's Report**
The Chair presented his report with specific reference to the following matters.

Update on structural matters arising from the Review

PW presented three documents in relation to structural matters in response to the Review, namely new draft Standing Orders for the Shadow Unitary Board, a draft MOU between S4C and Ofcom, and an update on S4C's internal and external audit arrangements.

Draft Standing Orders for the Shadow Unitary Board

Revised draft Standing Orders were presented, the purpose of which was explained as to ensure that the Shadow Unitary Board's arrangement was in line with the Review's recommendations, and DCMS and S4C responses. The standing orders had been specifically tailored for the Shadow Unitary Board period – namely the period when S4C is expected to operate as a unitary board but where the relevant legislation has not yet been updated to allow that.

It was noted that an English version had been circulated since this was the version submitted to the DCMS for comment.

The Board had already approved the objective of operating on the basis of a Shadow Unitary Board until the legislation introduced the arrangement formally. It was as yet unclear when there would be time within the parliamentary timetable to table a bill.

The recommendation to operate as a shadow unitary board until statutory provisions allowed this placed S4C in a less than ideal position. It was noted that questions about quorum and voting provisions needed careful consideration

during the shadow board period, since it would be unacceptable that either the official Non-Executive Members' duty to vote, or formal provisions for quorum, would be affected by Members who were not formal Members.

It was explained that the legislation allowed S4C to put arrangements in place for running its business, and therefore that the revised standing orders were approved under those provisions, but within the relevant statutory framework and provisions.

The revised standing orders had been submitted to the DCMS for information, but no comment had yet been received.

It was noted that a number of provisions at the front of the orders were included to provide context for stakeholders on S4C's structure and responsibilities, in addition to the specific standing orders for managing its activities. These provisions were including following the Review process, when it became clear that there was still confusion among some stakeholders about S4C's structure and responsibilities.

There was a discussion about the role of Board Members whilst noting that the role and responsibilities of the Non-Executive Members would remain unchanged, but that the Chief Executive and eventually the Executive Members appointed by the Board, would have new responsibilities as S4C Board and Shadow Unitary Board Directors until legislation was introduced.

The standing orders were presented, and a few specific clauses discussed.

Order 5.2

It was noted that the Board's Public Record needed to be current on the website. It was explained that a project was underway to update and better organise the corporate website including updating the public record archive.

Order 15 – Voting Rights

The complexity of the voting situation over the Shadow Unitary Board period was explained, since some Executive Members were not formal Members of the statutory body. It was noted that the position was complex and less than ideal but that this was the situation created by the recommendation of the Shadow Unitary Board until legislation catches up with the recommended structure.

Orders 15.4 and 15.5 was attempting to put a process in place to deal with situations where Executive Members' votes could affect the vote. The objective was to ensure that the Chair steered such a situation to ensure that the views of Executive Members was respected, over the Shadow Unitary Board period.

Order 20.6 - Audit and General Matters Committee

The recommendation to establish an Audit and General Matters Committee was discussed, combining a number of additional functions within the Audit Committee such as responsibility for nominating Executive Members. The recommendation to establish a single committee was an attempt to simplify the structure bearing in mind that there are so many duties to carry out but so few Non-Executive Members.

It was noted that including so many responsibilities for a committee which has financial scrutiny responsibilities could create a conflict of interest. However, considering the number of Non-Executive Members, even if these matters were shared out between more committees, several of the same Members would still

consider them and therefore there still wouldn't be a total separation.

It was resolved to restructure the Audit Committee in line with the Standing Orders and rename it as the Audit and General Purposes Committee.

Order 21 – commercial activities

It was resolved to amend the provisions of order 21.9 placing a duty on the Commercial Board to meet with the Board one a year, but due to specific requirements in the Companies Act, this meeting would not be an Annual General Meeting (AGM). It was resolved to refer to an 'annual meeting' rather than 'annual general meeting'.

The Board approved the Standing Orders incorporating the above update, delegating authority to the Chair to respond to comments from the DCMS.

It was resolved that the Board would operate as a Shadow Unitary Board from November and therefore that a meeting of the Audit and General Matters Committee should be held to present recommendations relating to appointing Executive Members to the Board.

Draft MOU with Ofcom

The draft Memorandum of Understanding was presented for the Board's consideration. It was explained that the draft MOU was one of S4C's proposals in response to Review comments on the statutory relationship between S4C and Ofcom with regard to regulating S4C's televised service. It would not create any new duties but rather would include all elements of the relationship together with S4C's and Ofcom's responsibilities in a single document.

A simple summary of the relationship was on the S4C website.

It was explained that Ofcom was not required to agree an MOU with S4C but noted that Ofcom Cymru officials had responded positively to the recommendation, while needing to wait to confirm Ofcom's views centrally.

Following the discussion, the Board approved the draft MOU for submission for discussion with Ofcom Cymru.

Internal and External Audit Agreements

An update for information was presented on audit arrangements for S4C.

Internal Audit Agreement

Officers have met with PWC to discuss extending their contract for another year and planning for their programme of work.

External Audit Agreement

Officers have met with the DCMS to discuss options for appointing the NAO as external auditors for S4C from 2019-20.

It is unclear when the Government will have an opportunity to table a parliamentary bill to amend the provisions relating to appointing S4C's external auditors.

Officers emphasised to the DCMS that an early understanding on the matter was still required, since S4C will need to ensure that external auditors are in place for 2019-20. The DCMS had suggested that S4C will either need to extend the current auditors' contract or re-tender the service until an opportunity arises

to table legislation.

6. **Chief Executive's Report**

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

Structure of commercial activities - update

EM presented a PowerPoint update outlining the proposed structure for commercial activities. It was noted that a formal paper would be presented to the Board in November.

The new structure will include an Investment Panel with Members of the Management Team monitoring the monthly performance of the commercial fund, and one Member responsible for sponsoring any new project, and the Commercial Board to monitor the performance of investments on a regular basis and to refer any matter needing attention to the Board. The Board will also approve any new ventures, the commercial strategy and annual business plan.

In accordance with the new Standing Orders, the Unitary Board will appoint all commercial group directors.

The principles of the protocol for investing in production companies and digital sector companies were presented.

There was a need to ensure that any such investments were for commercial reasons, that there was no unfair competitive advantage to relevant companies, no access to sensitive commercial information about S4C, that all relationships with such companies were arms-length, that any conflict of interest was identified and appropriately managed, and with no S4C staff on the boards of such companies.

Clear guidelines would need to be developed for the relevant commissioners and staff, and before commissioning the relevant companies a form completed proving compliance with the protocol and submitted to the Chief Executive Officer for approval.

A complaints procedure would be introduced for investing in companies based on the standard complaints procedure.

It was resolved to present clear guidelines for investing in television and digital production companies, together with a process for considering commercial interests and the possible impact of investments, to the next Board meeting.

7. **Partnerships - Learners**

The Board received a verbal update on discussions with the National Centre for Learning Welsh. Sioned Wyn Roberts had also provided a hard-copy summary for the Content Committee at its meeting yesterday. The new partnership has led to re-planning S4C's provision for learners which will launch in January.

The launch was jointly organised with the Centre on 12th December.

Mudiad Meithrin MoU

CHR presented a MOU developed between S4C and Mudiad Meithrin for the Clwb Cwtsh project. It was explained that S4C would be the scheme's official

broadcasting partner.

The need to ensure that officers monitored the partnership's outcomes was emphasised, together with the nature of S4C's role, the partnership's achievements and how these could be measured.

The Board approved the MOU between S4C and Mudiad Meithrin.

8. **Staff Survey**

CW presented a summary of responses from the Staff Survey conducted recently. The survey had been conducted before moving to Yr Egin to create a baseline for assessing changes over the next few years.

Staff had noted that they had a commitment to S4C and understood its values and strategy. The majority of the responses included comments about relocating to Yr Egin.

Members asked whether the survey results compared with those of similar organisations, and it was noted that the aim was to see whether comparisons could be drawn to assist the process of evaluating S4C's performance.

It was decided to provide a copy for Members of the responses to all questions.

The Chair noted that there was a need to continue to consider how to monitor similar matters across the sector, as well as within S4C's direct workforce.

Members asked whether seeking the Investors in People ("IIP") accreditation was once again being considered.

There was some concern that the IIP scheme's bureaucratic requirements could be onerous for a small organisation, in particular after a large percentage of the technical staff transfer to the BBC in 2019. However, it was noted that officers would consider whether operating in line with IIP objectives and standards could be achieved, without perhaps seeking full accreditation.

8. **Staffing Matters**

OE noted that Llion Iwan had decided to leave S4C and recorded his thanks to him for all his service to S4C.

The plans for reorganising the digital teams were being updated in order to distribute LII's responsibilities. Ruth Meadows has now joined S4C and her responsibilities will include digital platforms, Clic, digital analysis and communication.

9. **Service Content and Performance**

The minutes of the Content Committee meeting held on 26th September were presented together with a verbal report from the meeting held on 24th October.

It was noted that the committee meeting held yesterday had been an opportunity to discuss the recent performance of the service in more detail.

The main headings of the Content and Analysis Reports were raised and there was a discussion on the report and the performance of the service.

It was noted that the Away Day in December would be an important opportunity to consider the service and the performance of the strategy, including options for restoring the performance of the service. These options would include three possible scenarios including information about the timetable, the budget and projections of viewing figures.

It was resolved that initial options for restructuring the timetable would be presented to the Board in November. These options would also include the viewing figure projections, the costs, the impact on the S4C brand and a timetable for achieving the options.

It was noted that the schedule will have changed several times in recent years, and the need to revisit the process and reasoning for past changes was emphasised before presenting recommendations for further changes.

It was noted that the following would be presented to the Board in time for the Away Day: a new children's strategy, a new drama strategy, options for the sports provision and three scenarios for the nature of the service over the next five years.

10. **BBC Programme Plan for 2018/19**

The BBC Programme Plan for 2018/19 was presented and it was noted that the Content Committee had discussed this at their meeting yesterday and recommended that the Board approve the Plan.

It was noted that the draft Plan was being presented to the Board with three quarters of the year already elapsed. It was explained that discussions about the Pro14 rights meant that it hadn't been possible previously to agree all elements of the Plan.

Since the BBC continues to provide important daily elements of the service, such as *Pobol y Cwm* and *Newyddion*, the need to ensure that a programme plan was discussed and approved in good time before the start of the year was noted.

The Board approved the BBC Programme Plan for 2018/19.

11. **Report from Content Committee Meetings**

The Chair presented the draft minutes of the Content Committee meeting held on 26th September and a verbal report from the Committee's meeting held on 24th October for information. It was noted that the main elements of the discussion on the service's performance at that meeting had been reiterated at today's meeting.

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

A number of programmes broadcast during the past month were discussed.

13. **Away Day**

It was noted that there would be an opportunity to discuss the structure and purpose of the Away Day at the Board's meeting in November.

14. **Viewers' Hotline and Complaints and Compliance Report**

A report on the Viewers Hotline was presented for information.



15. **Work Programme**
The Board's Work Programme for the remainder of 2018 was presented, together with the Board meeting dates in 2019 for information.
16. **Any Other Business**
No other business was discussed.