

S4C Authority Board Meeting Minute

19 April, 2018, S4C, Llanishen, Cardiff

Meeting No.416

Present:	Huw Jones	(Chairman)
	Guto Harri	(Member of the Board)
	Siân Lewis	(Member of the Board)
	Elan Closs Stephens	(Member of the Board)
S4C Staff:	Owen Evans	(Chief Executive)
	Amanda Rees	(Creative Content Director)
	Gwyn Williams	(Director of Communications)
	Phil Williams	(Secretary to the Authority)
	Hannah Evans	(Insight Officer)
	Steve Thomas	(Strategy and Policy Adviser)
	Carys Evans	(Data and Insight Team Leader)
	Huw Jones	(Senior Statistical Officer) (item 7.2)
	Margaret Hughes	(Head of Content Budget) (item 7.2)
	Chris Morris	(Insight Officer) (item 7.2)
	Catrin Hughes Roberts	(Director of Partnerships) (item 6)
	Alun Thomas	(Assistant Secretary to the Authority)
Apologies:	John Davies	(Member of the Board)
	Hugh Hesketh Evans	(Member of the Board)
	Elin Morris	(Director of Corporate and Commercial Policy)

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

The Chairman welcomed all present to the meeting and asked for any member with an interest in the business of the meeting to declare their interest.

ECS declared an interest in the discussion regarding BBC programmes in her capacity as the Member for Wales on the BBC Board. No other declarations were received.

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

2. Minutes of Board meeting 415 (held on 19.03.18)

The minutes of meeting number 415 were presented and the following matters were noted.

2.1 Members' terms and new appointments to the Authority Board

[Summary: The Chairman explained the latest from the DCMS on the new appointments.]

2.2 **Approval of the 2018-19 Budget**

[**Summary:** One correction was noted to the minutes on the 2018-19 Budget.]

With the above changes, the minutes of meeting 415 were approved.

3. **Matters arising from the Minutes of meeting 415**

3.1 **Wales Lottery Update**

[**Summary:** The Commercial Board in conjunction with the Wales Lottery and Grant Thornton have continued to seek a buyer for the lottery. It appeared that the final report of the administrators could be published in June. It was noted that Hanfod had submitted an application of approximately £15k to fund a simplified structure to administer the grants already allocated grants.]

The Board approved a recommendation to offer approximately £15k towards the administration costs over a period of up to one year of the grants that have already been allocated by Hanfod.

3.2 **Relocation and staffing issues**

An update was presented regarding the staffing elements of the Relocation project.

It was noted that there would be pressure on the Human Resources Department during the next period as a number of posts will be advertised as some staff decide to leave. NB continues to provide advice to the department, and it is hoped that the Head of Human Resources will be appointed shortly in order to co-ordinate the recruitment work and to prepare S4C's staffing systems for the move to the Egin.

It was noted that a number of job applications had already been received from the Carmarthen area. Vacancies were advertised in the local press in the West as well as in the national newspapers and online. It was suggested that the indeed.com site should be considered for future job adverts.

4. **Action Points and Decisions Register**

The Action Points and Decisions Register was presented and it was noted that the register had been updated following receipt of comprehensive comments from OE.

The following matters were raised specifically.

No. 14. Partnerships - It was noted that the preparation of a new partnership strategy was ongoing, and that it would be presented to the Board as part of the preparation of S4C's response to DCMS.

No. 20 - Appropriate resources for dealing with Freedom of Information requests. - PW noted that two complex requests are currently underway. It is intended to consider the resource requirements for general applications after dealing with the current requests, and the submission of a recommendation to the next business meeting of the Complaints Committee.

No. 21 - Viewers' Evenings - There was a discussion of the options for a dialogue with the audience. The need to distinguish between viewers' evenings - and the opportunity they provide for the audience to express its views - and the professional research programme carried out annually was emphasised.

Officers were asked whether the response of the audience at viewers' evenings could lead to changes or decisions, or whether the evenings were just of PR value. It was noted that viewers' evenings can be an important way to understand the importance of specific topics within the core audience if they crop up regularly. The viewers' evening in Mold was cited as an example where there were very strong comments about the lack of representation of the North East on the service that led to changes within the output and on the Heno series in particular.

It was suggested that opportunities for discussion with the audience should be considered by using online platforms as well as at local meetings, bearing in mind the difference between giving the audience opportunities to express their views, and professional qualitative and quantitative research.

It was agreed that viewers' evenings should continue to be arranged for 2018, and that new methods of ascertaining the audience's views, including the use of social media, should be considered.

5. **Chairman's Report**

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

5.1 **Meeting with the BBC Audit Committee**

It was reported that the Chairman, HHE and PW had met with the BBC's Audit Committee, where senior BBC officials, including Sir David Clementi, Lord Hall and Anne Bulford were present. NAO officials were also at the meeting.

The first meeting had been an opportunity to discuss the nature of the financial accountability relationship between S4C and the audit committee, and it was clear that the committee was keen to discuss a sensible and appropriate way of providing accountability for the Licence Fee expenditure to the BBC.

It was noted that the senior BBC officials and the Committee members understand the sensitivity of the relationship and the need to respect S4C and the BBC's independence in developing the financial accountability relationship.

The Chairman had had a meeting with the Committee chairman, Simon Burke before the meeting. This meeting was an important opportunity to discuss the nature of the relationship for the future, and Simon Burke appreciated the sensitivity of the relationship and the need to achieve the right balance between financial accountability and independence.

ECS suggested that it had been important to establish the relationship and principles at the Board Chair level but, as a constructive relationship had been established, in the future the delegation of the financial accountability relationship to the Chairs of the Scrutiny Committees could be considered.

5.2 **Membership of the Authority Board**

The Chairman noted that interviews had been held to appoint new members to the Authority Board.

31 applications had been received, and a shortlist of 11 drawn up. By now recommendations and a list of five names have been submitted to the Secretary of State. It is hoped that the Secretary of State will make a decision on the new

members soon.

No update had been received regarding re-appointments to date, but officers are continuing to discuss with the DCMS officers and they were hoping to get a decision from the Secretary of State soon.

5.3 **DCMS Chairs Meeting**

The Chairman had attended a meeting for the Chairs of the DCMS public bodies, and had the opportunity to discuss a number of issues with the Secretary of State, the Permanent Secretary, Sue Owen, and the new director of the public appointments department.

During his presentation the Secretary of State stressed the need for the bodies to work together and with the department to prepare a comprehensive case for the 2019 Spending Review. It was noted that making a case that emphasises the public and social value of DCMS bodies will be important.

It was noted that the work would need to comply with the requirements of the latest version of the Treasury Green Book.

GH noted that the Secretary of State will attend the Hay Festival in May, and that a meeting could be sought with the Chairman and OE during the festival.

GH had also provided CHR with the details of the new SPAD at the DCMS in order to establish a relationship with S4C.

5.4 **Preparing S4C's Response to Euryn Ogwen's Report and the DCMS response**

The Chair referred to three documents presented as part of the Board's papers which included the outline of a speech for the RTS event, and two documents including responses to the recommendations of the Report and the DCMS's response.

There was a discussion regarding the Chairman's draft speech for the RTS event. The Chairman noted that he would update the speech following the Board's suggestions.

5.5 **Implementation Plan**

The draft implementation plan was presented and it was noted that the DCMS expects S4C to submit an update on progress by July.

It was suggested that the Review could be interpreted and responded to in two ways - either responding positively to the main recommendations and identifying where S4C has already started to implement them, or by reading between the lines and responding to every point and suggestion.

The Board believed there was a need to submit a positive response to the Review and DCMS Response, stating where S4C agree with the recommendations and comments and where steps have already been taken to act in accordance with the recommendations.

A discussion took place regarding the comments in the Report on funding, the funding level of S4C and the DCMS' response. It was disappointing that the Report had not considered S4C's funding requirements as a whole, but it should be remembered that considering S4C's funding level was not part of the Review's

remit. However, the Reviewer had stated his opinion at times.

The focus should be on the positive financial aspects, acknowledging that the proposed Spending Review cuts had been abolished and that this was good news for S4C's financial stability over the next three years. Also noting that the reviewer states the need for a framework for considering the future funding needs quoting the EBU's financing principles.

The Board was unanimous that there was a need to develop a positive narrative for S4C, and a need to move forward from a perception of a focus on the lack of money and on structural issues rather than on the successes and popularity of the service.

5.6 **Implementation Plan Paper**

Paper 1a – the Implementation Plan was presented.

The following recommendations were approved in the Implementation Plan in response to the Independent Review:

1a. – Members approved the paper 'Welsh content on digital platforms', presented to the Board in March, as well as the expenditure of £1m per year for 3 years on digital developments.

1b. Advisory Panel

The principle of drawing up a list of external people who could be consulted as required to advise on specific issues was approved. The recommendation to offer an advisory role to EOW was not approved, but it was decided that he should be invited to meet with HJ and OE in order to discuss the findings and recommendations of his report in detail.

It was agreed that the purpose and structure of the Digital Hub should continue to be considered.

3a. Partnerships

There was criticism in the Report about the work of S4C's current partnerships. It was noted that steps had already been taken to improve S4C's relationship with the main language partners, such as the decision by OE to establish the language partners' forum.

When considering formulating a response to the Report, S4C would need to be able to prove its ability to make successful partnerships with a range of stakeholders and organisations. OE noted that he was keen for the Content Department and the Commissioners to lead and take care of those partnerships directly related to S4C content and programmes.

3b. The News Service

Reference was made to the comments on the news output in the Report. It was noted that the content of Newyddion 9 was a matter for discussion with the BBC as part of the usual editorial discussions, and this was not a matter to be published as part of S4C's public response.

It was noted that a positive editorial relationship had evolved between S4C and the BBC and this relationship was being safeguarded and developed in order to discuss changes and developments to elements of the provision such as Newyddion 9.

3c. Commissioning Processes

The Chairman noted that the Review's impressions of the commissioning process did not reflect the current situation, and that the examples cited refer back to a period and system that ended in 2016. The Chairman's speech for the RTS event notes this.

3ch, 3d and 3dd

The need to develop S4C's work in the field of training and skills was noted, and in particular the need to consider developing writing skills in Welsh, including ensuring opportunities for writers to develop work for S4C after the training.

4. Language partnership

OE noted that he had already established a group that included the main language partners, and that he intended to continue to discuss with the group and to discuss how to work together on a language strategy with the Welsh Government in particular.

The Chairman was pleased that the DCMS had acknowledged and accepted for the first time in the history of S4C that it has a role to play in developing the language, and also that the DCMS understands that S4C needs to maintain a relationship with the Welsh Government in the field of the language.

It was noted that S4C's response to the debate about the devolution of S4C and broadcasting has been consistent since the period of the Silk Commission, when S4C presented factual evidence to the Commission setting out the questions and issues that would need to be considered when discussing the devolution of S4C and broadcasting, instead of offering an opinion on the issue.

5. Funding and the Licence Fee

In responding to the recommendation to provide S4C's total public income from the Licence Fee in future, the need to ensure that an explanation is presented as to why S4C is now satisfied with this arrangement was noted, given that more than one financial source has been an important part of the narrative in the past.

Since establishing the new relationship with the BBC, which came into force in 2013, the BBC and S4C have developed a new relationship that has succeeded in respecting the principles that are important to the BBC and S4C, including S4C's independence. The experience of implementing the partnership shows that S4C's public money could be accepted from the Licence Fee source without compromising S4C's independence.

The need to emphasise that the Secretary of State will continue to have responsibility for determining the level of S4C's 'sufficient funding' under the statutory provisions was noted.

6. Commercial

The Report and the DCMS response had created an expectation that it was easy for S4C to increase its commercial income, without specifying how this could be done. The RTS event and the proposed meeting with EOW will be an opportunity to hear more about EOW's ideas in the commercial field.

It was noted that the Board had considered the commercial strategy on a number of occasions over recent months, and the Commercial Board were also considering options for the future. The work of developing a new strategy and structure for S4C's commercial activities will need to continue and a report presented to the

Board in due course.

There were a range of options to be considered in terms of a future commercial strategy, including: investment in programmes and co-productions, the Parc Tŷ Glas estate, digital enterprises etc.

The need to ensure a clear focus for the new commercial strategy was identified, learning the lessons from the history of S4C's commercial activities, including specific achievements such as Sam Tân and SDN, and the types of project that had not proved successful.

The Chairman explained that he had recently met with CB and they had agreed that she would retire as chairman of the commercial group in May, after the end of the financial year and the signing of the group accounts. This timing would be in line with the development of a new structure and strategy for S4C's commercial activities in future. He noted that there would be an opportunity for the Board to thank CB for her service on the Commercial Board in due course after her term as a Member of the Authority expires.

It was agreed that the options for S4C's future commercial strategy should be considered before submitting any specific recommendations with respect to a strategy, new enterprises and the options for the future structure of commercial activities.

6. **A revised Diversity Strategy**

CHR presented a revised version of the Diversity Strategy that had been drawn up following the Authority's discussion in March.

OE noted that he was keen for S4C to consider a wide range of issues under a diversity banner, including social mobility and equal pay for women and men. Preparatory work was underway in order to report on the pay of women and men and a report will be presented to the Board in May.

CHR noted that the revised strategy had been simplified following the Board's input in March.

It was pointed out that S4C's website contained a number of documents that refer to S4C's commitment to diversity since 2011, and it was not clear what the relationship of the revised Strategy was with these documents. Any new documents should take into account what has been achieved since 2011, including the documents, strategies and commitments that remain current. It would be necessary to explain to the Board how the new Strategy relates to these documents.

An element of concern was expressed that the paper did not present specific projects and outcomes, and it was also questioned whether it would be possible to achieve what was outlined in the document. The Board noted the need to ensure that the strategy led to specific actions and outcomes.

The Board's desire to see and understand more about specific projects that respond to the Chief Executive's vision to focus on portraying on-screen diversity was noted.

A request to understand more about options for apprenticeship schemes was also noted, such as the recent plans announced by BBC Wales.

The general direction of the amended document submitted was approved, but the meeting noted the need to ensure that the document's status, and

its relationship with documents already approved by the Board (including, for example, the Commitment to Diversity and the 2016-2020 Action Plan), were clear.

It was noted that an update to the Board will be required regarding the status of the latest document and the other documents.

The Board decided that specific plans should be considered in order to determine how to reflect OE's aim to give Diversity a greater focus and how to promote on-screen diversity.

7. Chief Executive's Report

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

7.1 Relocation and Co-location Projects

Construction at the Egin had recently faced a period of delays as a result of a problem with the paint on the building's steel framework, but the problem had now been solved, and the delays caused now recovered. The contractors were confident that the building would be completed in line with the original timetable.

Officers were asked about the response of staff by now to the relocation project, and it was explained that there is an appreciation amongst staff of the openness of the discussions and the level of information shared by OE. However, it cannot be said to be a very popular scheme amongst most existing staff.

It was explained that the construction of the new link road had re-started.

7.2 Analysis of the 2017/18 Strategy and presentation of the 2019/20 Strategy

AR and the Insight Team presented an analysis of the Content Strategy for 2017/18.

[Summary: It was noted that viewing patterns were changing across the UK, and that S4C was following these trends. It was creating a challenge for S4C but it was an opportunity to expand the audience and to ensure that S4C would be relevant in the future. Although on-demand viewing was increasing significantly, viewing live was still important, especially with the events, sports and much talked about popular programmes.

Amongst other things, it was reported that consideration was being given to develop the provision for Welsh learners online, thus creating one of S4C's digital channels. The sports output and the potential impact of losing the rights to the Pro14 were discussed. Reference was also made to the options for the peak time schedule at the weekend and the impact of any change in the process and mode of producing specific series. It was suggested that Clic could be used as an 'alternative timetable' at certain times.]

It was noted that the Authority Board appreciated the opportunity to consider the strategic implications of the schedule, including the importance of live sports and the need to balance the genres within the peak time schedule at the weekend, but the Board did not want to interfere in individual editorial decisions.

The strategic direction presented for the 2019/20 Strategy was approved, and it was noted that officers would be required to take specific scheduling and prioritisation decisions within the strategy.

8. **Last month's Programmes**

There was a discussion about the past month's programmes.

[Summary: The viewing figures and the discussion on social media testify to the popularity of Ffit Cymru and the natural style of both Wil and Aeron appeals to a wide range of the audience. There was praise for the research work and recent stories on y Byd ar Bedwar.]

9. **Viewers' Hotline Report**

The viewers' Hotline report was presented for information.

10. **Work Programme**

The Authority Board Work Programme was presented for information.

11. **Complaints Report**

The Complaints Report was presented and the following issues were noted.

A complaint had been received regarding a video on Hansh - "Heddlu Iaith:Rant". A response had been sent to the complainant.

12. **Any other business**

No other matters were discussed.