



S4C Authority Board Meeting Minute

19 March, 2018, S4C, Llanishen, Cardiff

Meeting No. 415

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| Present: | Huw Jones | (Chairman) |
| | John Davies | (Member of the Board) |
| | Hugh Hesketh Evans | (Member of the Board) |
| | 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) |
| | Elin Morris | (Director of Corporate and Commercial Policy) |
| | Gwyn Williams | (Director of Communications) |
| | Llion Iwan | (Head of Content Distribution) |
| | Sharon Winogorski | (Chief Finance Officer) – item 6 |
| | Steve Thomas | (Strategy and Policy Adviser) – item 8 |
| | Rhidian Dafydd | (Programme Manager for Yr Egin) - item 9 |
| | Phil Williams | (Secretary to the Authority) |
| | Bethan C. Williams | (Assistant to the Secretary to the Authority) |

STANDING ISSUES:

1. Welcome and Declaration of interest

The Chairman welcomed all present to the meeting.

He asked for any member with an interest in the business of the meeting to declare their interest. ECS declared an interest in the discussion on the Independent Review in her capacity as the Member for Wales on the BBC Board. No other statements were received.

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

2. Minutes of meeting 414 (held on 13 February, 2018)

The minutes of meeting number 414 were presented.

The Authority Board approved the minutes.

3. Matters arising from the Minutes of Meeting 414

4.1.2 - GW noted that he had contacted JD to discuss an invitation for the Secretary of State to attend S4C's events at the Royal Welsh Show.

4. **Decisions Register and Action Points**

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

5. **Chairman's Report**

The Chairman explained that there would be a different order to the meeting's business due to the availability of Members during the day, with those subjects that require a decision taking precedence.

The following order for the meeting's agenda was agreed:

- The Independent Review;
- The 2018/19 Budget;
- 5 year Financial Plan;
- Wales Lottery and Commercial Issues;
- A new digital strategy; and
- The scrutiny work of the Relocation and Co-location Committee chaired by JD.

5.1 **Appointments**

It was noted that JD's current term expires at the end of March, and although an application had been submitted to the DCMS to extend his term, a decision had not yet been made by the Secretary of State, although officers indicated that the case was a strong one. It is hoped that the Secretary of State will agree to extend JD's term.

Interviews for new members will be held in April.

5.2 **The Review**

[Summary: There was a discussion about the Review and what is expected in the Reviewer's report. He was likely to recommend the changes to S4C's public, digital and commercial terms of reference that S4C has been pressing for. The intention was for S4C to offer a general, summary response on the day of the publication of the Report and the Government's response, and then for the Chairman to present a more comprehensive response at an evening organised by the RTS.]

ECS suggested that she would be willing to step down as a member of the Authority Board if this would facilitate the process of discussing any proposed funding arrangements with the BBC. The rest of the Board unanimously stated that they did not want ECS to consider stepping down, and that her experience and advice were key to S4C during the coming period.

6. **2018-19 Budget and 5 year Draft Financial Plan**

SW introduced a revised draft budget for 2018-19 together with scenarios for a 5 year financial plan.

It was noted that the cost of the Content Schedule for 2018/19 was £67.6m. It was explained that the increase was mainly due to the provision for the costs of the Pro14 rugby rights.

[Summary: The planning for the 2019/20 schedule was continuing, and AR will submit an update at the Authority Board meeting in April. It was noted that the

performance of the service and the priorities of the Content strategy need to be considered in the context of the whole framework of performance measures.]

It was suggested that money could be saved in due course when the linear service comes to an end, but as there was no realistic timetable for this, in that it could be in 5, 10, 15 or 20 years, such savings cannot be planned.

2018-19 Budget

The 2018-19 Budget was approved by the Board.

5 Year Financial Plan

It was noted that the Board supported the strategic direction outlined in the first scenario, subject to further discussion on the Content Strategy and Digital Strategy, and that they would be keen to receive more information regarding S4C's ability to deliver its strategy under the first scenario in the context of the response to the Review, and the DCMS' financial decisions.

7. Wales Lottery

EM presented an update regarding the position of the Wales Lottery ("WL"). Written updates had been submitted to the Authority Board by e-mail, and the Board had also approved an element of further expenditure via e-mail since the last monthly meeting of the Board.

[Summary: EM explained that the Commercial Board had met on a number of occasions during the month to consider the options. There was a discussion about the options outlined. The decision of the Authority Board regarding the Wales Lottery at its February meeting, namely that "the Authority Board is of the opinion that the Commercial Board should not commit any further funding" was noted.

It was explained that the Commercial Board had taken advice from financial experts to ensure that S4C was acting legally and appropriately. It was a matter for the Wales Lottery directors to ensure that the company itself was acting legally. The Authority Board Members were eager to ensure that the issue of the Wales Lottery be resolved as soon as possible.]

8. S4C's Strategy - Welsh content on digital platforms

LII and ST presented an update regarding the plans for implementing the new digital strategy. It was explained that the plans include:

- Simplifying Clic - and improving the methods for finding S4C content within Clic;
- Personalisation - introducing the ability for viewers to register with Clic, which would give them a personal experience, including programme recommendations, the ability to view across devices, to watch content for longer periods, and access to unique content and archive content; and
- Developing digital channels online under the Clic banner, to attract specific audiences, such as Hansh for younger audiences, and CiwTiwb for children and parents.

The Authority Board welcomed the proposal to develop S4C's digital offering, and

the direction embarked upon, and was very keen to see the development of a strategy that will combine platforms, marketing and promotion, the use of data and the content strategy.

A question was asked whether there was a risk that focusing on individual brands such as Hansh, would dilute S4C's main brand. It was explained that officers had considered this, and they believed that there was a need to ensure that any sub-brand was clearly linked to the S4C brand.

9. **Relocation and Co-location Projects – Staffing**

RhD presented an update on the staffing elements of the relocation and co-location projects.

[Summary: A communication scheme was organised at the end of January for all staff affected by the relocation reminding them of the relocation packages and the flexible working scheme. One-to-one sessions had been held with the majority of staff involved in order for them to indicate whether they wished to move to Carmarthen, to leave S4C or to take advantage of the trial scheme (TBYB). A business continuity risk for S4C had been identified with the TBYB scheme during the period following the move to Carmarthen. Officers had been considering various options in order to reduce the risk and three options were presented to the Authority Board. These included the offer of the equivalent of two weeks' pay for those on a 1 month notice period that agreed to extend their period to 3 months (Option 3).]

Following a discussion, the Authority Board decided to approve Option 3.

10. **Quarter 3 Communications Report**

GW presented the Communications Report for Quarter 3.

[Summary: Campaigns had been organised for a number of series during the quarter and the recognition given to the Santa promotional material over Christmas was welcomed, whilst noting the intention to re-use it next Christmas.]

11. **Last Month's Programmes**

There was discussion about the past month's programmes, and specific reference was made to the following.

[Summary: Positive signs were noted in terms of the new timetable, with hourly programmes on Tuesdays and Thursdays beginning to win their place. Sunday night was also performing well. There was a discussion about the importance of original drama within the timetable and it was explained that work was under way to take advantage of more co-productions across the output.]

12. **Reports from the Committee meetings**

Bwrdd Masnachol

The minutes of the recent meetings of the Commercial Board were presented. It was noted that much of the Board's time had been devoted to discussing the situation of the Wales Lottery.

Audit, Risk Management, Personnel and Remuneration Committee

A report from the Committee meeting held on 06.03.18 was presented.

The prime work of the meeting was to discuss the work plan of PWC, the internal auditors. It was noted that a number of reports were currently in progress, and that the Committee would have the opportunity to discuss the reports and the strategic Risk Register at its next meeting.

13. **Viewers' Hotline Report.**

The Viewers' Hotline report was presented for information.

14. **Work Programme**

The Authority Board's Work Programme was submitted for information, and it was pointed out that from April the pattern of Board meetings will return to the third Thursday each month.

The timing of the distribution of a number of Board papers was discussed, and the need for papers to be circulated at the latest on the Friday before the Authority Board meeting was emphasised, unless a good reason for providing a late paper is noted.

15. **Complaints and Compliance Report**

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

[Summary: The Complaints Report was presented and four current complaints were reported together with the actions taken by officers in response.]

16. **Membership of the Complaints Committee**

It was noted that the Committee had received a request for an internal review by the Welsh Language Society in relation to the TSA agreement. Hugh James Solicitors are preparing independent advice for the Committee.

As the request relates to the BBC, it was decided that it would not be appropriate or fair for ECS to consider the matter as a member of the Committee. It was suggested that another member should be elected to the Committee.

[Summary: GH referred to his proposed political series on S4C. He left the meeting and the implications of his membership of the Authority Board and the Complaints Committee were discussed. The potential perception of a conflict of interest was noted but it was suggested that it would be possible to ensure that GH did not act in a way that would create conflict.

Following the discussions it was decided as follows:

- that ECS would not be involved in considering the Welsh Language Society's request for internal review;
- that HHE and SL be appointed members of the Complaints Committee;
- due to potential perceptions of conflicts of interest

between the work of the Committee and the responsibilities of a presenter of political programmes, that GH should not continue to be a member of the Committee; and

- the Board is keen for GH to continue acting as a full member of the Board, but there must be appropriate measures in place to deal with any possibility of conflict.]

17. **The Work Programme**

The Work Programme for the Authority Board was submitted for information.

18. **Any other business**

No other matters were discussed.