



Present:	Huw Jones John Davies Siân Lewis Elan Closs Stephens	(Chairman) (Member of the Authority) (Member of the Authority) (Member of the Authority)
S4C Staff:	Owen Evans Amanda Rees Elin Morris Gwyn Williams Huw Jones Phil Williams Bethan C. Williams	(Chief Executive) (Creative Content Director) (Director of Corporate and Commercial Policy) (Director of Communications) (Senior Statistical Officer) (Secretary to the Authority) (Assistant to the Secretary to the Authority)
Apologies:	Hugh Hesketh Evans Guto Harri	(Member of the Authority) (Member of the Authority)

STANDING ISSUES:

1. Welcome and Declaration of interest

The Chairman welcomed all present to the meeting. Owen Evans was welcomed to his first meeting of the Authority.

Members with an interest in the business of the meeting were asked to declare their interest.

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

2. Minutes of meeting 410 (held on 28.09.17)

The minutes of meeting number 410 were presented.

It was noted that a date needs to be arranged for the Complaints Committee.

The Authority approved the minutes of the meeting held on 28 September.

2.1 Matters arising from Minutes 410

Item 3.1.6/DCMS

It was noted that a letter had been sent to the DCMS regarding preparations for the Chancellor's Budget in November and reminding the Secretary of State for the need to ensure that they are in a position to respond to the recommendations of the Review in due course.

[Summary: The position with S4C's estate in Llanishen and the latest advice from the property agent were discussed. The options for selling the estate were noted. It was decided that officers should continue to prepare the feasibility work for the sale of the estate.]

2.2 **Appointment of Members**

There was a discussion about the possible methods of appointing members to the proposed unitary board, it was indicated that the BBC model allows the executive members to be appointed by the Chairman and the non-executive members, but also with some of the non-executive members.

It was noted that it will be necessary to ensure that the non-executive members have the power to appoint executive members; the public appointments process would need to be followed for the rest of the members.

2.3 **National Library Archive Plans**

[Summary: Reference was made to the Library's evidence to the S4C review and the desire to strengthen the partnership. CHR will be requested to provide an update.]

2.4 **Ofcom**

Officers had discussed the relationship between S4C and Ofcom with the Reviewer. The Reviewer was aware of the current relationship, and the duties of S4C and Ofcom with respect to regulating S4C's service.

The nature of the BBC Service Licences issued by Ofcom was raised. It was noted that the licences place a number of very specific quantitative requirements on the BBC. If S4C had to comply with such requirements and quotas, it would infringe S4C's ability to plan and commission services that can respond to the demands of the audience.

Officers had emphasised to the Reviewer the need to consider what issue is resolved in the relationship between S4C and Ofcom, rather than only the need to end a unique situation. There were major differences between the BBC licence and Ofcom's other licences for ITV, Channel 4 and Channel 5.

It was noted that the Authority's statutory duty to seek the audience's views about the service - before and after broadcast, was unique to S4C. This duty ensures that S4C has an understanding of the needs of the audience, and therefore this should lead S4C's strategy rather than the quantitative quotas of a regulator.

2.5 **BBC - The Partnership Agreement and the TSA Agreement**

PW submitted an update on the discussions with the BBC regarding the Partnership Agreement and EM submitted an update regarding the TSA Agreement.

The content of the Partnership Agreement had been agreed, with the exception of 2 new clauses - one recommended by the BBC clearly stating that the BBC would not have a representative on the S4C Board in future, and one recommended by S4C stating that the NAO would have access to S4C accounts for the purpose of the assessment of value for money. It is hoped that officers will be able to agree the new clauses today, and then recommend them to the Chairs to approve in

accordance with their delegated powers. The agreement will be signed at the same time as the TSA.

Officers were asked whether the agreement clearly explains that the previous relationship with the Trust, including the elements of accountability and representation on the Authority, had expired. It was noted that the agreement does confirm this and that the BBC's latest change emphasises it in the context of a representative on the Authority.

It was explained that the BBC had obtained advice from their external lawyers regarding the TSA and that the BBC and S4C were currently discussing the lawyers' final comments. It is hoped that it will be possible to agree and to sign the TSA by 2 November.

It was noted that the original intention was to authorise IHJ to sign the TSA as the plan was to sign it a few days after IHJ had left the office (but while he was still employed by S4C), as OE would not have had time to consider the agreement in detail before the signing. Now, with the change in the timetable, it was suggested that it would be more appropriate for OE to sign the TSA on behalf of S4C.

The Authority decided that OE should sign the TSA agreement on behalf of S4C.

2.6 **General Pay Increase for staff**

[Summary: OE referred to the recommendation for a general pay rise for staff that was discussed in September. Following further discussions it was agreed that OE would consider the options before reporting back to the Authority.]

2.7 **The Information Commissioner**

It was noted that no further response had been received from the Commissioner.

4. **Chairman's Report**

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

The Appointment of SL as the Chief Executive of the Urdd

SL was congratulated on her appointment as the Chief Executive of the Urdd. It was noted that discussions were ongoing with some of the Urdd trustees with respect to ensuring that SL could remain a Member of the Authority after she starts her duties with the Urdd. No announcement will be made about SL's membership until a final understanding is reached with the Urdd Board on the matter.

5. **Chief Executive's Report**

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

5.1 He had received a warm welcome from the staff in Caernarfon and Cardiff, and was enjoying getting to know the staff and the organisation.

He had attended AR's presentation to the production companies in Caernarfon and Cardiff and had visited a number of the production companies.

He was keen to establish an open and collaborative leadership, ensuring regular communication with staff and the opportunity to discuss important developments. He had sent a video message to the staff at the end of his first week conveying his thanks for the welcome he had received.

He was aware of the sensitivity of projects such as Relocation and Co-location, and was keen to ensure opportunities for staff to discuss them openly, but also wanted to ensure that the message was clear that these projects had to continue, and that there was no opportunity for a new chief executive to bring them to an end.

He was keen to develop a new strategy for S4C, and the intention is to present it to the Authority for discussion during the Away Day in January 2018. The Strategic Board will meet in Carmarthen shortly to begin the process of developing the strategy.

He referred to his presentation which included a number of opportunities and challenges for S4C, including the Content Strategy, the digital provision, the Review, S4C staff, the Egin, the production sector, the relationship with the BBC locally and in London, general support for S4C and commercial issues. He was keen to develop the S4C strategy for each of these, aiming to discuss them at the Authority's Away Day in January.

He was keen to draw up a strategy for the new digital provision, developing the website, the Apps, the options on the iPlayer and methods of communicating regularly with the online audience - including messages from the app and e-mail. Hansh was an example of the type of content that can appeal to new audiences.

5.2 **The Review**

Financial questions and the terms of reference were at the top of the Review's priority list. Given the financial constraints on the DCMS, alternative methods for securing new elements of funding, including the elimination of the proposed cuts, and allowing S4C to deal with the impact of inflation, needed to be considered. The Reviewer was aware of the short-term factors, and also the need to ensure that a long-term process and long-term principles are in place.

The DCMS was considering publishing the Review and their response to it on the same day, before the end of the year. S4C will need to consider how to respond in due course, when a detailed timetable has been agreed.

Discussions were also underway with the Review team regarding the introduction of a unitary board structure and the updating of S4C's terms of reference, together with options to achieve this without primary legislation.

5.3 **Partnerships**

The Reviewer was of the opinion that S4C has an important role to play in developing and maintaining partnerships, and in contributing to the future and the growth of the Welsh language and the Welsh Government's target of increasing the number of Welsh speakers to one million. He was eager for S4C to adopt a new approach to the development of partnerships, thereby establishing links with the Government and other bodies involved in the language.

The Reviewer understood the importance of the funding questions for S4C, including short-term issues, and the need to ensure a framework and principles to consider S4C's financial needs in the long term. He also understood the context of the timing of considering the future funding of S4C, and the need to ensure that any process

runs alongside the next Government Spending Review and the next assessment of the level of the Licence Fee.

5.4 **Diversity**

OE noted that he had appointed CHR as S4C's Diversity Champion and she will co-ordinate S4C's activities in the field. A progress report will be submitted to the Authority in due course to identify the current diversity situation along with a plan for co-ordinating and developing S4C's activities in the field.

5.5 **Relocation to the Egin**

[Summary: OE wished to hold open discussions about the Relocation to the Egin.]

He was keen to consider new and flexible ways of working in order to develop and improve S4C's activities and to ensure that the move to the Egin would succeed over a period of years.

It was explained that staff will have an input into the planning of the office and to discussions on future working methods. He was very keen to enable staff to contribute to the planning process in order to create a sense of ownership of the Egin.

SC will introduce new technology options to staff so that they can see the possibilities for future working methods.

5.6 **The Independent Sector**

He was very keen to establish a constructive relationship with the sector, and he had already met with the representatives of a large number of the production companies.

He was also keen to continue to develop the training strategy in order to ensure that the necessary skills are available for the production of television and digital content in the future.

5.7 **The BBC and Co-location**

He had already met with RhTD in order to establish a constructive relationship with him and the BBC. He was aware of the need to develop and expand the relationship, including closer collaboration on editorial issues.

He was also keen to seek to foster collaboration between the technical teams that will merge in due course under the provisions of the TSA. It will be necessary to ensure that BBC staff working on the S4C service feel ownership of the service to ensure the best possible technical service.

5.8 **Editorial Committee**

He was keen to consider new ways of collaborating between departments, and he wanted to establish an Editorial Board to co-ordinate wider collaboration between the Content, Planning and Promotion departments, with OE, AR, GW and LII to meet regularly.

5.9 **The Commercial Board**

He had attended a meeting of the Commercial Board, and had an opportunity to

discuss the future of the commercial strategy, and the position of many of the current investments in detail.

The Chairman thanked OE for his report and noted that the Authority was keen to discuss the topics further at the Away Day.

The Authority was pleased to hear about OE's priorities, and his desire to ensure that open discussions take place on a number of topics. Securing an open and honest discussion about Relocation was greatly welcomed.

QUARTERLY ISSUES:

6. Report of the Content Committee meeting held on the 23 October

HJ presented a summary of the discussions of the Content Committee meeting held on 23 October. A written summary had been provided to Members following the Committee meeting.

[Summary: In addition to reporting the discussions on specific series, the following issues discussed at the Committee meeting were mentioned: namely how to prioritise and assess the importance of quality and programme reach; developing talent and skills in documentary programmes; and the music provision and how to represent contemporary music within S4C's output.]

7. Content and Insight Report Quarter 2, 2017-18

AR presented the Content and Insight Report for Quarter 2 2017-18. She explained that she was keen to develop the format of the current report, basing the report on an assessment of the performance of the service as a whole, and for the narrative to explain what contributes to the performance, and the elements that are not contributing, rather than choosing individual programs in isolation from the performance narrative.

It was agreed that AR would submit the Content and Insight Report for Quarter 3 in the new format to the Content Committee meeting.

[Summary: AR referred to the headlines of the report stating the reach of the service and the place of Newyddion and Pobol y Cwm in the timetable to attract an audience in peak hours.]

8. Discussion of the programmes during the past month

[Summary: There was a discussion about the past month's programmes – particular reference was made to Bang and the Content Committee considered an assessment of the series, including the linguistic element.]

9. Report of the Commercial Board meeting held on 11 October.

A verbal report of the Commercial Board meeting held on 11th October was presented. It was noted that the minutes of the meeting were available for circulation to Members.

OE had been appointed director of the commercial companies, and IHJ had resigned from the companies.

[Summary: There was an update on some of the Commercial Board projects. The Authority was keen to receive further updates from the Commercial Board regarding

the state of the investments and the Board's assessment of the current commercial strategy.]

The performance of the Sarasin fund was mentioned and it was noted that the original capital of £15m invested had generated an increase in value of £2m in addition to a £3m dividend payment. After drawing a total of £5m from the fund, its valuation remained around the original sum of £ 15m.

10. **Viewers' Hotline Report**

The viewers' Hotline report was presented for information.

11. **Complaints and Compliance Report**

The Complaints and Compliance report was presented.

[Summary: Members were given an update on three current complaints and an indication of the next steps for S4C officers.]

12. **Authority Work Programme**

The Authority's Work Programme was submitted and it was noted that there was a proposal to move the Away Day from November to January 2018 to allow OE time to develop and present a new strategy.

Following recent changes to the Authority's schedule of meetings, the dates of the next meetings were noted:

7 November, 6pm - Viewers' Evening, St. Mary's Priory, Abergavenny
22 November, 9am - Authority Meeting, Cardiff
30 November, 11am - Content Committee, Cardiff
13 December, 9am - Authority Meeting
13 December, 3pm - Audit and Risk Management, Personnel and Remuneration
Committee, Cardiff.

13. **Any other business**

No other matters were discussed.