



## S4C Board Meeting Minute

Meeting No. 450

17 June 2021 - Zoom Meeting

### Present:

#### Non-Executive Board Members:

Rhodri Williams	(Chairman)
Anita George	(Board Member) up to item 5
Chris Jones	(Board Member)
Denise Lewis Poulton	(Board Member)
Guto Bebb	(Board Member)
Adele Gritten	(Board Member)

#### Executive Members:

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

#### S4C staff present:

Gwyn Williams	(Director of Communications)
Sharon Winogorski	(Chief Finance Officer) – items 4,6,7
Owen Derbyshire	(Director of Digital and Marketing) - 9
Owain Lloyd	(Board Secretary)
Catrin Hughes Roberts	(Director of Partnerships) - item 10
Bethan C. Williams	(Assistant to the Board Secretary)

#### Also present:

Lewis Knight	(NAO) – item 4
Will Legg	(NAO) – item 4

#### Apologies:

Hugh Hesketh Evans	(Board Member)
Siân Lewis	(Board Member)

### STANDING ISSUES:

#### 1. Welcome and Declarations of Interest

The Chairman welcomed everyone to S4C's Unitary Board meeting. He had received apologies from HHE and SL.

The Chairman asked any members with an interest in the business of the meeting to declare their interest. There were no other declarations other than that of RhW in relation to Ofcom. The Chairman reminded everyone of the need to update their declarations of interest.

*See the Register of Interests in the Board's section on S4C's website for general declarations*

#### 2. Chairman's Report

**[Summary:** The Chairman reported that the meetings with politicians had continued over the licence fee application, and arrangements were underway to meet again with John Whittingdale.

He explained that he will address the TAC conference this year and that representatives of TAC will be attending the Board meeting in July.

It was noted that this will be the last Board meeting for SL and OLI. The Board thanked OLI for his work over the time he had been at S4C, wishing him well in his new post. OLI was looking forward to the new challenge.

It was noted that the DCMS had agreed to advertise for two new members of the Board. The job description was slightly different this time, indicating a wish for experience of the creative sector. The Wales Office and the Welsh Government needed to confirm that they were happy with the job description. It is hoped to have the new members in place before HHE's term ends.

In terms of the interviews for the post of Secretary, it was noted that it had been very difficult to secure a date that was convenient for everyone on the appointment panel. It was agreed that the interviews would be held on 16 July.]

### 3. **Chief Executive's Report**

OE presented his monthly report including the matters below.

- 3.1 **[Summary:** It was noted that there had been a lot of discussions with the DCMS about the licence fee application and S4C's situation. The timing of any decision was not clear at this stage, but it was hoped that there would be an indicative settlement before the summer.
- 3.2 In relation to the re-opening of the offices, OE considered that the delta variant had to be closely monitored together with the cases that were increasing significantly. People would be able to use the Egin but with restrictions and specific rules in place. It was reported that the technical issues were generally fine with the list of items diminishing.
- 3.3 A staff survey on Covid-19 had recently been sent out to all staff.
- 3.4 It was reported that officers had recently met with TAC
- 3.5 Officers were asked about the situation with the Euros programmes and an outline of the plans was given. S4C currently had a social media officer out in Baku who was creating additional content.
- 3.6 OE said that a paper will be presented to the Board next month outlining the next steps of Strategy 22 together with a project plan for a consultation in the Autumn on the purpose of S4C's Strategy 22.
- 3.7 It was noted that last month had been exceptional in terms of awards with awards won at BAFTA UK and the UK Broadcast awards.
- 3.8 It was noted that the viewing figures had been volatile over the last few weeks. OE added that the viewing pattern of all broadcasters was down but that S4C's percentage viewing remained the same. EJ was actively looking at this.
- 3.9 There was a report on the trial to offer Boxsets of Yr Amgueddfa on S4C Clic and the iPlayer.
- 3.10 On the prominence of S4C on smart television sets and channel listings, EM reported that there had been contact with officials of Ofcom and the DCMS.]

#### 4. **NAO Presentation on the 2020-21 Audit**

LK and WL presented an end of year report from the NAO (the external auditors). It was noted that the main purpose of the presentation was to seek approval for three elements of the audit namely:

- 1) Reviewing the findings set out in the report, including the audit report and draft letter of representation at Annexes 1 and 2 respectively;
- 2) Considering whether the unadjusted misstatements, set out in the misstatements identified section (page 11), should be corrected. The Board's minutes should provide written approval of management's reasons for not modifying misstatements; and
- 3) To consider the adequacy of the going concern disclosures contained in the draft financial statements and whether this is a fair assessment. It is requested that that consideration be included in the letter of representation to the Comptroller and Auditor General.

WL presented the report, noting that it had not identified any specific risks within S4C, despite the pandemic. Clear control was in place with very small adjustments. It was a very positive report and he thanked SW and the team for the support and collaboration.

The NAO officials were thanked for a very clear report outlining everything that needed attention. They were asked if there were any lessons to be learned from the audit. LK noted that perhaps the next audit should avoid an end-of-year period, as that has put considerable pressure on S4C officers. SW explained that past audits included two weeks of audit, a week's break, and then finishing the audit the following week. This gave officers the opportunity to correct and finish their reports in good time. This year the complexities of Covid-19 and VAT had added to the burden. The NAO and SW were sure that an improved timetable could be arranged for next year.

The next steps will be to check and review the report for the completed draft. It is hoped that it would be possible to sign in early July and to lay it before Parliament soon thereafter.

In terms of a 'going concern' LK was asked if there were any matters to note. He answered by saying that the licence fee settlement was the major thing. It was noted that there were no changes in terms of the letter of representation.

RhW noted that the last year had been a difficult and challenging one and therefore the outcome of the audit was very satisfactory and a reflection of the hard work of SW and the team. He also thanked the NAO for the way the audit had been conducted.

The draft report submitted by the NAO was approved, with some minor amendments.

#### 5. **Consideration of the Operational Objectives 2021/22**

The Operational Objectives were presented by OE. It was a mixture of business as usual and strategic objectives - such as growing the digital

content, work on communication and marketing, and, of course, taking the Strategy 22 forward as a result of the DCMS settlement.

Members suggested that there was a gap in our understanding of the audience and that this needed to be clearly stated in the objectives. There was also a desire to set quantitative targets, milestones etc. in an appendix.

A question was asked about the launch of Strategy 22 and the work on S4C's new purpose. OE noted that a paper will be presented to the Board next month outlining the next steps and a project plan for a consultation in the Autumn on S4C's Purpose and Strategy 22. RhW was keen to present it all when going public. It was agreed that this was an important opportunity to discuss our plans with the audience. It was also suggested that there was an opportunity for the Communications Committee to bring all these elements together and play an important role.

**[Summary:** The objectives were approved, and it was agreed that officers would consider adding appropriate KPIs, deliverables and milestones.]

## 6. **Annual Report 2020-21**

A recent draft of the annual report was submitted by OLI. It was an opportunity for the Board to see the shape of the report. Proof reading and fine-tuning was required in several places, together with reconciliation of the translations etc. The structure was similar to the 2019-20 report, but OLI had also added material from the Arad report on selling Wales to the world and the skills and apprenticeships agenda.

There was more work to be done over the coming weeks and OLI would welcome any comments, corrections etc. The next step will then be to send it to the DCMS for approval before the NAO and OE agree and sign the Annual Report and Financial Statement. It was hoped to lay it before the Commons before the summer recess.

**[Summary:** It was suggested that it might be an idea to reinforce the first page in terms of S4C's purpose and vision for the future. One member expressed the opinion that the report was well balanced between our content and the corporate side. RhW thanked OLI and the team for the work.]

The draft of the Annual Report was approved. A new version will be circulated in due course.

## 7. **Financial Statement**

SW presented the financial figures identifying the main points which included: the cost of Covid-19; changes in the costs per hour; the BBC hours; co-location; staff costs etc.

**[Summary:** On the commercial side, it was noted that Sarasin's investment had performed well during the year. OE said that the investment strategy had changed significantly and that there was now less risk, with robust rules in place.

It was noted that a business plan for Parc Tŷ Glas was being developed and the process underway to appoint an external company to look after the site.

RhW was pleased to hear that the Commercial side was more stable and wondered whether it was timely to ask for a presentation on the work of the Commercial Board.

The question was raised whether further clarification is needed in the report on the status and income of the Commercial Board. More clarification may also be needed about the increase in the cost per hour. SW agreed that there was a need to go through the document and see if more narrative is needed to explain the figures. It was suggested that the narrative could be in the Annual Report rather than the Financial Statement.

GW reported that there would be a communication plan providing possible interviews along with work to send out copies to politicians with a note outlining the main headings.]

#### 8. **Review of the 2020-21 Programme Policy Statement and approval of the 2021-22 Programme Policy Statement**

AR presented a Review of the 2020-21 Programme Policy Statement and the Programme Policy Statement for 2021-22. It was explained that both were reports for Ofcom and that the review from 2020-21 fed into the Annual Report.

The content is presented by genre, with objectives within each genre for the coming year. It was suggested that a little more be added to the objective of reaching more diverse audiences, including the less fluent and mixed-language homes.

Officers were asked how flexible the schedule and plans were during 2021-22. AR noted that there needs to be a balance between certainty up front and the commissioning of new content. Most of the schedule was planned for 2021-22 and the expenditure allocated. There was more flexibility in 2022-23. She also explained that each genre has a specific budget.

The spend on digital was raised. AR noted that there were no separate budgets but, as part of programme budgets, funding is available for digital packages and social media. There has been a change in the commissioning process with a requirement for all companies to offer digital and multi-platform ancillary content.

**[Summary:** The use of the word 'fluent' was questioned bearing in mind Jeremy Evas' presentation. It was recognised that it was not easy to find another form of words that conveyed a similar meaning, but it was important to consider it further. The link between what people recognise as their linguistic ability and their confidence in using the language was sensitive.

In relation to bilingualism, there was an interesting question of how experimental S4C should be. It was felt that a wider discussion is needed on the issue at some point.]

The 2020-21 Programme Policy Review and Programme Policy Statement 2021-22 were approved, with some changes to the drafts.

## 9. **Communications Committee Terms of Reference**

The terms of reference of the proposed Communications Committee were presented by DLP. She had been in discussion with OE and OD over the past few weeks and had revised the terms of reference as a result.

The Committee's role would be to:

- Develop and update S4C's Marketing and Communications Strategy, including the brand strategy and sub-brands.
- Monitor the quality and performance of S4C's communications campaigns and ensure high standards and consistency across the service.
- Gather information and consider trends across the sector.
- Update, scrutinise and ensure the appropriateness of risk registers, including taking due account of any risk issues arising from the registers.

She was thanked for her document. A little more clarity was needed in terms of the difference between the executive and non-executive role. It was suggested that the wording needed to be modified in some places to ensure this and DLP agreed. There was also a need to check the terms of reference against our standing orders. OE agreed with the comments and noted that the need was for a governance and scrutiny committee. There was also a need to ensure that there was a link between this committee and the Content Committee.

Elements of the terms of reference were agreed, and it was noted that consideration needed to be given to whether the document complies with current Standing Orders. Taking that into account, a further draft will be submitted to the Board for approval.

## 10. **S4C Unitary Board Diversity Paper**

OLI submitted a paper for the Board to consider whether further steps should be taken to ensure that there is greater representation on the Board / Committees that ensures equality, diversity, and inclusion. The obvious route was to try to attract a wide range of applicants as part of the DCMS process in the coming months. Another option was to look at a way of co-opting people to the Board's Committees or even the Unitary Board itself.

**[Summary:** RhW noted that as part of the recent process, the DCMS had been quite clear that there was a desire for diversity, but that this was on merit.

Clarity was sought on exactly what diversity means. For example, *protected characteristics*, ability in terms of the Welsh language, age, or does diversity mean everything. Officers were asked what happened last time in terms of trying to attract candidates. It was noted that officers had been in discussion with different groups to try to attract people. OE believed that the element of different social groups was very important to us along with what are considered *protected characteristics*.

Concerns were expressed about the idea of co-opting members or having observers on the Board.

It was believed that it was important to encourage people from different backgrounds to apply. Linguistic ability was of course a factor and diversity was crucial for better understanding and engagement with audiences.

CHR added that she had worked with organisations in the field emphasising the importance of being proactive. There was scope to work jointly with organisations already specialising and working in the field through mentoring.

RhW agreed that we should be proactive and welcomed the fact that there has been a significant increase in diversity on the screen over the last year. The next challenge was to ensure diversity across the organisation. AR noted that the progress that has been made with S4C's content is because we are proactive.

RhW explained the appointment process last time and the fact that the Secretary of State had the ultimate decision, but he was willing to raise the matter with the DCMS.

To summarise the discussion of the paper, the Board liked the idea of mentoring but not co-opted members / observers. It was agreed to discuss the matter further with Nia Edwards-Behi at the July meeting.]

11. **The Board's Work Programme**

A copy of the Board's Work Programme for 2021 was submitted for information.

12. **Minutes of Meeting No. 449, 6 May 2021**

The minutes of meeting number 449 held on 6 May 2021 were approved. No matters arising from the minutes were discussed.

The minutes of the Committees shown below were presented for information:

Audit Committee	(held 5th May, 2021)
Content Committee	(held 5th May, 2021)
Commercial Board	(held 12th May, 2021)

13. **Action Point Register**

The new Non-Executive Members were asked to send any feedback about the sessions that had been scheduled to BCW, including any suggestions for further sessions.

14. **Any other business**

OE noted that the Finance Act had received royal assent. This finally meant a solution to the VAT issue.