

**Meeting of the S4C Board**

Meeting No. 459 held in Yr Egin

09.30, 20 October 2022

Minutes

Members present:		
Rhodri Williams	RhW	(Chairman of the Board)
Guto Bebb	GB	(Non-Executive Member) – virtually
Adele Gritten	AdG	(Non-Executive Member) – virtually
Chris Jones	CJ	(Non-Executive Member) – virtually
Suzy Davies	SuD	(Non-Executive Member)
Siân Doyle	SD	(Chief Executive)
Llinos Griffin-Williams	LgW	(Chief Content Officer) – virtually
Elin Morris	EM	(Chief Operating Officer)
Others present:		
Geraint Evans	GE	(Director of Content and Publishing Strategy)
Geraint Pugh	GP	(S4C Board Secretary) – until item 6
Bethan C. Williams	BCW	(Assistant to Board Secretary)
Sharon Winogorski	ShW	(Chief Finance Officer) – except item 4
Apologies received from:		
Denise Lewis Poulton		(Non-Executive Member)

1.	<p>Matters raised by the Chairman, and declarations of interest</p> <p>The Chairman of the Committee welcomed everyone to the meeting, and in particular GE who would attend the Board's meetings as an observer going forward.</p> <p>He asked any Member who was interested in the business of the meeting to declare their interest. No statements were received. It was nevertheless noted that members had identified permanent interests in relation to their membership of the Board, and the Chairman reminded everyone of the need to update their declarations of interest.</p> <p>AdG noted that she had now been appointed Chief Executive of the Local Partnerships body, and that her profile on the S4C website would need to be updated.</p> <p>The Chairman gave an update regarding the appointment of new members to the Board.</p>	BCW
2.	<p>New Commercial Strategy (to include the Commercial Group's Budget 2022–23)</p> <p>SD gave a summary of the new commercial strategy, which had been presented to the Commercial Board on 21 September 2022. It was now being presented to be agreed by the Unitary Board, in accordance with the Standing Orders.</p> <p>The consultant Oliver Laing had led the development of the new commercial strategy, and the intention was to ask him to assist with the work of implementing the new strategy. Firstly, S4C would focus on two or three of the priorities, while putting the appropriate governance arrangements in place and upskilling staff.</p> <p>CJ was supportive of the new strategy, but we need to define the financial relationship</p>	ShW

	<p>between the commercial and the public elements – such as the dividend policy between the two. The Commercial Board will need to agree on the dividend that would be paid to the public element - to coincide with the last financial requirements. ShW explained that Grant Thornton was reviewing the tax implications within the S4C Group, and that a report on the dividend policy would be brought to a meeting of the Unitary Board in the near future.</p> <p>RhW welcomed the development and was very keen to emphasize that the content strategy on the public side should not be influenced by the commercial strategy. He also emphasized the need to be smart in what we aim to achieve with the commercial strategy, as it would be better to over- rather than under-achieve.</p> <p>Resolution: The new Commercial Strategy was approved.</p> <p>The Commercial Board's financial plan for the period 2022–23 was presented by ShW. It was explained that the plan was developed earlier in the summer, and therefore did not reflect the new commercial strategy.</p> <p>A five-year financial plan would now be developed for the commercial activities, for the period 2023–24 onwards, and would be shared with the Unitary Board after it had been considered by the Commercial Board in their next meeting.</p>	ShW
3.	<p>Quarterly update on the Strategy delivery dashboard (for the DCMS)</p> <p>SD presented a quarterly update of the dashboard, which would be shared with the DCMS at a meeting in London on 09 November 2022. The format of the report had evolved in response to feedback from the DCMS during the last quarterly meeting.</p> <p>Board members offered feedback on the dashboard, in order to make minor changes before sharing it with the DCMS.</p> <p>Resolution: To modify the dashboard in accordance with members' feedback, and submit a copy to the DCMS.</p> <p>[ShW left the meeting]</p>	SD
4.	<p>Film Fund</p> <p>SD gave a short oral presentation about the national Film Fund scheme. It was explained that a promise of £1m had been given by Creative Wales to S4C last year. Creative Wales now want us to work with the Cymru Film Fund in order to use their resources to make the plan a reality.</p> <p>It was explained that the funding guidelines had changed slightly during the discussions over the last few months. Now, there is no intention of offering £1m for just one film each year, but rather funding several projects with different amounts as needed.</p>	
5.	<p>Chief Executive's Report</p> <p>The Chief Executive presented her report, outlining the plans and meetings that had taken place over the period. LIGW also outlined the productions in progress.</p> <p>We asked if we have the internal and external capacity to produce all the bold new content. SD explained that daily meetings take place to go through the plans, especially when considering the content around football, and the special concert in New York. The promotion for them is extremely buoyant, very tactical and community focussed. We further asked if there are enough resources, and it was reported that three external companies are assisting us with the work.</p> <p><u>Media Bill</u></p> <p>EM presented her appendix to the Chief Executive's Report on her recent discussions with the DCMS on changes to S4C's statutory purpose in the proposed Media Measure.</p> <p>RhW suggested that external legal advice should be obtained, in order to be able to offer alternative ways forward to the DCMS.</p> <p>Resolution: EM to seek external legal advice and continue to discuss with DCMS officers before bringing further recommendations to the Board.</p> <p><u>Effect of Inflation on Production Costs</u></p>	EM

	<p>Inflation was expected to continue to have an impact on content production costs over the coming years. RhW was therefore keen for officers to review the impact of inflation on S4C's budgets over the next few years, so that the Board could consider which strategic steps would be appropriate to get the best value for the audience.</p> <p>In the first place, RHW wanted the Audit and Risk Committee to receive a revised copy of the financial forecasts for the years until the end of the license fee period, so that Committee could scrutinize the assumptions.</p> <p>Then, it would be useful to receive an outline of the content strategy, with an explanation of what the priorities are for each genre and the publishing needs. Given the information, the Board would be able to have a good strategic discussion before the end of the current calendar year about how to prioritise spending over the next period in order to avoid the need for 'salami slicing' to reach a financial target.</p> <p>Resolution: The Audit and Risk Committee to receive the latest financial forecasts for scrutiny, calling a special meeting of that Committee if the paper cannot be produced in time by its next meeting on 17 November 2022.</p> <p>Resolution: Present a report covering content and publishing plans, and strategic options to be considered in response to the impact of inflation on budgets, to the Board on 08 December 2022.</p>	<p>ShW</p> <p>SD / LIWG / GE</p>
<p>6.</p>	<p>[ShW joined the meeting]</p> <p>Quarterly financial report (Q2)</p> <p>ShW presented a financial report for quarter 2, 2022–23. The main points were noted.</p>	
<p>7.</p>	<p>To approve a financial assurance report for the BBC</p> <p>The Partnership, Funding and Accountability Agreement between S4C and the BBC requires S4C to provide a Financial Assurance Report to the BBC Board every six months. A draft of a financial assurance report for Q1–Q2 2022–23 was therefore presented. The report followed the factual format approved by the Authority in April 2017.</p> <p>The report was discussed, and attention was drawn to minor errors that needed to be corrected.</p> <p>The Partnership Agreement states that S4C representatives will attend one meeting a year of the BBC Audit Committee in order to discuss the Financial Assurance Report. The Secretary would discuss this further with the BBC, as well as organizing opportunities for the Chairs, Chief Executives and Secretaries of the two broadcasters to meet more regularly.</p> <p>Resolution: The minor errors in the report to be corrected, and submitted to the BBC.</p>	<p>GP</p>
<p>8.</p>	<p>Publishing expenses, gifts and hospitality</p> <p>At the annual meeting of the Audit and Risk Committee on 08 July 2022, there was a discussion on S4C's Gifts and Hospitality Declaration Policy, and it was asked that that policy be reviewed, and the possibility of starting to publish expenses and hospitality received by members' of the Board and the Management Team be considered at the next Board meeting.</p> <p>A discussion paper was presented to the Audit and Risk Committee on 14 September 2022. As a result of the feedback received, the plans had been amended in accordance with what was outlined in the report presented to the Board.</p> <p>The intention to start publishing details of the expenses of the non-executive members of the Board and the Management Team on a quarterly basis was welcomed. The Secretary's Office would coordinate the arrangements, and the details would be shared with the relevant individuals before they were published.</p> <p>Regarding Appearances in S4C Content, it was asked what should be done in cases where a family member appears regularly in S4C content as a commentator. The Secretary explained that the relevant form should be completed once, noting that the close relative is likely to appear regularly.</p> <p>Resolution: To approve the plans to start publishing the expenses of members of the Board and the Management Team on a quarterly basis, and to approve the</p>	<p>GP</p>



	amendments to the Code of Practice on Declaration of Gifts and Hospitality, and the Code of Practice on Appearances in Content.	
9.	Board Meeting No. 458 Minutes (held 08.07.22), and Committee Minutes The minutes of the Board's last meeting were presented and approved. The minutes of the following Committees were submitted for information: <ul style="list-style-type: none">• Audit and Risk Committee (14 September 2022)• The Communications Committee (29 September 2022)• The Content Committee (04 October 2022)	
10.	Action Points The Action Points register was noted.	
11.	The Board's work programme for the next 12 months The Board's work programme for next year was noted.	

Signature: _____ **Date:** _____