

Minutes of Meeting of the Authority of Broadcasting Authority of Ireland

Date 25/06/2020 **Time:** 10.30am **Venue:** Conference Call

Attendance

Authority: Pauric Travers (Chairperson), Alan McDonnell, Grace Smith, Mary Curtis, Vivien McKechnie.

Executive: *Michael O’Keeffe, Celene Craig, Andrew Robinson (Secretary), Anne O’Brien (item 3.1), Liam Boyle (item 2.2), Clare O’Sullivan (item 2.1), Declan McLoughlin (item 2.7), Richard Brennan (item 2.5), Sally Kennedy (item 2.3).*

1. Matters Arising

1.1 Minutes of Authority Meeting 21st May 2020

Subject to a minor wording amendment, the minutes of the meeting of the Authority of 21st May 2020 were approved by members.

Matters arising were as follows:

a) **Broadcasting Funding Scheme – COVID-19 Funding Initiative**

The Chief Executive advised members that 95% of the approved funding for the COVID-19 Funding Initiative will have been allocated by month end. The Authority wished to acknowledge the work of Anne O’Brien and the Broadcasting Funding Scheme team in processing the funding initiative in such a timely manner.

b) **Community Radio Policy review**

The Chief Executive advised members that there had been a very successful launch of the Nexus Research and Social Benefit Toolkit handbook on Community Radio Day which took place on 19th June. Furthermore, Nexus Research had also been appointed to undertake the review of the Community Radio Policy which would incorporate Community Television.

The Chief Executive indicated that the work of Nexus Research on the development of the proposed new Community Media Policy would be undertaken over the second half of 2020.

c) **Meeting with DCCAIE representatives**

The Chief Executive advised members that the BAI Executive would shortly be meeting with representatives from the Department of Communications, Climate Action and Environment to discuss the BAI Budget and Funding Levy. He noted that an update on the outcome of those discussions would be provided to members at the meeting on July 23rd.

2. Achieving Excellence and Accountability

2.1 Review of BAI Strategy 2017 – 2019: Presentation from IPSOS/MRBI

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

2.2 RTÉ Annual Statement of Performance Commitments 2020

[Redacted]

2.3 Report on BAI Business Continuity Planning (BCP) Team

Members were presented with an Executive report on the activities of the BAI Business Continuity Planning (BCP) Team in recent months.

Members noted that the BAI Business Continuity Plan was put in place in December 2018 and its purpose is to prepare the BAI in the event of a sudden, unexpected and temporary interruption of its normal activities and to restore critical business activities to the widest extent possible in the shortest possible timeframe. Following the lockdown implemented in response to Covid-19, the BCP team immediately convened and met on a weekly basis to monitor and manage the ongoing evolving situation.

Members noted the quick and effective establishment of remote working for BAI staff with only minor technological issues which were addressed. It also noted the commencement of planning for the reopening of the BAI office and the development of a Return to Work plan, the purpose of which is to facilitate the safe and gradual return of staff to the office through the introduction of measures to prevent the spread of Covid-19 in the workplace.

The Authority noted the very clear and comprehensive approach taken to ensure continuity of service while safeguarding the health and wellbeing of BAI staff, and wished to commend the work of the BCP Team in this regard.

2.4 Report of the Chairperson of the FAR Committee to the Chairperson of the Authority

The Chairperson of the Finance, Audit and Risk (“FAR”) Committee presented his annual report to the Authority as required under the Committee’s Terms of Reference.

The FAR Chairperson's report to the Authority detailed the activities of the Committee during 2019, having regard to the approved Terms of Reference. The purpose of the report is to demonstrate compliance with internal control requirements as described in the Code of Practice for the Governance of State Bodies 2016. The report informs the annual review by the Authority of the BAI’s system of internal control, including the effectiveness of its financial, operational and compliance controls, as well as its risk management practices and activities. The report also informs the BAI Statement on Internal Control as set out in the BAI’s draft Financial Statements 2019 and as referenced in the Chairperson’s Report to the Minister in respect of the Authority’s implementation of the Code, in accordance with paragraph 1.8 of the Code.

Having considered the report, the Authority was satisfied that the work of the Finance, Audit and Risk Committee was being implemented in accordance with the Terms of Reference set by the Authority and that there was an effective system of internal control in the BAI.

On behalf of the Committee, the FAR Chairperson recorded his thanks to the Executive staff for the support provided in facilitating the Committee in the execution of its duties.

On behalf of the Authority, the Chairperson recorded its appreciation of the significant and important work undertaken by the FAR Committee, on an on-going basis, on behalf of the organisation.

2.5 BAI and BF Financial Statements 2019 and Letters of Representation

The Authority considered the draft Financial Statements for the BAI & the Broadcast Fund (BF) for the financial period 2019. The process of engagement with the Office of the Comptroller and Auditor General (‘OCAG’), since the completion of audit fieldwork, was outlined.

The Authority noted that a number of minor changes to the draft BAI & BF Financial Statements, detailed in the Executive notes, were recommended to the Authority for inclusion in the final respective Financial Statements. The Authority also considered the draft Letters of Representation to the OCAG, as recommended by the FAR Committee, and the proposed signatories to the BAI and BF Financial Statements.

The Authority was presented with a draft Chairperson’s report to the Minister, as provided for under Section 6 of the Code of Practice for the Governance of State Bodies (2016). It noted that the report was drafted in accordance with the specific reporting requirements set out in paragraph 1.9 of the Code of Practice for the Governance of State Bodies - Business and Financial Reporting Requirements.

Following discussion, the Authority was satisfied to approve the draft BAI and BF Financial Statements 2019, as presented.

The Authority was satisfied to approve the draft Letters of Representation, for signature by the Chairperson and the Chief Executive.

The Authority approved the proposed signatories to the BAI and BF Financial Statements 2019: the Chairperson of the Authority, the Chairperson of the FAR Committee and the CEO, as appropriate.

The Authority was also satisfied that the Annual Financial Statements and Letter of Representations could be signed using an electronic signature in the format agreed with the OCAG.

2.6 Levy 2020 update

The Chief Executive advised Members that the meeting between the Executive and representatives from the Department of Communications, Climate Action and the Environment to discuss the BAI Budget and Funding Levy had not yet taken place and that an update on this matter would be provided to the Authority at its July 2020 meeting.

2.7 Risk Update

Members were presented with an Executive note which set out a request for Authority approval of a proposal to re-rate the budget risk theme from a low to a medium risk appetite as set out in the *BAI Risk Appetite Statement*. A copy of the *BAI Risk Management Policy* and *Corporate Risk Register* accompanied the note.

Members noted that the FAR Committee had undertaken a review of the Risk Registers at its June 2020 meeting and had indicated broad satisfaction with the registers presented and that existing risks as set out in the registers were being managed effectively. Members noted a number of updates to the Corporate and Operational Risk Register concerning Changes in the Political Environment, the Broadcasting Funding Schemes and a number of new risks related to Covid-19.

With regard to the BAI Risk Appetite Statement, Members noted that the FAR Committee had agreed that it would recommend that the Authority revise the appetite for the Budget theme from low to medium in view of the current budget concerns arising from the impact of COVID-19. The Committee was of the view that it was reasonable given the extensive cuts to the budget already undertaken on foot of the Authority's decision to accede to the Minister's request to waive levy payments for commercial broadcasters (and very limited capacity for additional budget cuts), the uncertainty in respect of the advertising market, the ability of broadcasters to pay levies in the second half of 2020 and the potential for the Minister to make further requests for levy waivers.

Following discussion, the Authority was satisfied to adopt the FAR Committee recommendation to re-rate the budget risk appetite as medium and that the Residual Risk Rating would be set at 8.

The Authority also agreed to the inclusion of additional narrative in order to provide context for the change. In particular, reference would be made to the impact of Covid-19.

3. Promoting Plurality & Diversity

3.1 Broadcasting Funding Scheme – Sound & Vision 4: Proposed funding initiative for the Community Radio Sector (Round 36)

Members were presented with an Executive note which set out a proposed funding initiative for the Community Radio Sector. Members noted that the funding initiative was developed further to a request from the Minister for Communications, Climate Action and Environment for the BAI to prioritise funding initiatives for the independent commercial radio and community radio sectors.

Members noted that, in developing the funding initiative, the BAI Executive had regard to the urgency of the Ministerial request; the current practices under the funding schemes and the wider sector expectations; the Authority's commitment to develop a new approach to funding the development of community radio under SV4; the requirement to disburse the funds with regard to good governance, fairness and transparency; and also, the resources available to the BAI to implement any agreed approach.

Following discussion, the Authority was satisfied to approve the ancillary measures funding initiative for the Community radio sector as proposed. With regard to the implementation of the initiative, the Authority agreed to the following substantive issues:

- the funding initiative would be open to community / community of interest / community of special interest and special interest Christian / religious sound broadcasting contractors,
- total funding of €750k would be made available under the initiative,
- two bands of maximum funding would apply as follows: €40k for community sound broadcasting contractors and €30k for community of interest / special interest / special interest Christian / religious, and
- a closing date of three weeks from the date the initiative is implemented.

The Authority noted that the community radio sector funding initiative would be launched in the coming weeks.

With regard to the open funding round scheduled for September 2020, the Authority was satisfied to allocate an additional €1.5m in funding in that round, resulting in the total for Round 37 increasing to c. €3.2m. It also agreed that the open round would be extended to independent audio producers, bringing a better balance in the level of funds awarded for 2020 across TV and radio.

3.2 Ratification of Contract Awards Committee: Section 68 – Temporary Licence Applications

Further to the provisions of Section 68(1) of the Broadcasting Act 2009, the Authority was satisfied to ratify the recommendations of the Contract Awards Committee in respect of the following temporary sound broadcasting services:

- Scariff Bay Community Radio (Scariff Bay Community Radio CLG),
- Retro Drive-In Movies (Double R Media Limited), and
- Togetherness FM (ALONE Charity Organisation).

3.3 Contract Extensions: Classic Hits and Radio Nova

Members considered an Executive note seeking Authority approval for contract extensions for commercial sound broadcasting services Choice Broadcasting Limited t/a Classic Hits and Classic Rock Broadcasting Limited t/a Radio Nova.

Members noted that Classic Hits operates a multi-city radio service, for adults aged 45+ years, in Dublin City and County and Commuter Belt, Cork, Limerick, Galway and Clare and the current contract is due to expire on 25th June 2020. Radio Nova operates a classic rock music-based service for adults aged 25+ in Dublin City, County and Commuter Belt. The current contract for this service is due to expire on 30th June 2020.

In considering the requests, members noted that the fast-track application processes for both services had been concluded by the Contract Awards Committee and the decision to award separate contracts for ten years for each service was ratified by the Authority. Members also noted that Covid-19 constraints had resulted in contract negotiations being delayed due to process requirements including the signing and delivery of supporting documents and the availability of key personnel.

Following discussion, the Authority was satisfied to extend the term of both contracts to 17th September 2020 in order to conclude contract negotiations. The Authority noted that the length of the new contracts will be reduced from ten years to reflect the period of extension required.

4. For Information

4.1 April 2020 report to Minister on impact of COVID-19 on revenue of Independent radio sector

Members were provided with a copy of the second BAI report to the Minister for Communications, Climate Action and Environment on the Impact of COVID-19 on Commercial Radio Sector Revenue.

Members noted that the report covers the month of April 2020 and was prepared further to the Minister's request to carry out an urgent review in order to quantify the financial impacts on independent radio stations arising from COVID-19 and to provide an evidence base to inform decision making in the period ahead.

4.2 Executive Approvals

In accordance with the approved decision-making framework, the Authority was notified of five contractual variations that had been approved at Executive level since February 2020.

4.3 Minutes of the Finance, Audit and Risk Committee 25th February 2020

Minutes of the Authority's Finance, Audit and Risk Committee, held on 25th February 2020, were circulated to Members for information.

5. Any Other Business

Reuters Digital News Report 2020

The Chief Executive noted that the Irish edition of the 2020 Reuters Digital News Report was published on 16th June. He noted that the publication was accompanied by a BAI-hosted online discussion which was well attended.

6. Date of next meeting

The next meeting of the Authority will be held at 10.30am on Thursday 23rd July by conference call.

**Professor Pauric Travers,
Chairperson**

23rd July 2020