

Raidió Teilifís Éireann
Minutes of the Meeting of the Board of RTÉ
held on Thursday 30 November 2023 Hybrid at 10am, RTÉ and via Teams

Present: Siún Ní Raghallaigh (Chair)
David Harvey
Daire Hickey
Robert Shortt
Aideen Howard
PJ Mathews
Anne O'Leary
Jonathan Ruane
Adrian Lynch (Deputy Director General)

In Attendance: Paula Mullooly, Group Secretary
Mike Fives, Group Financial Controller
Conor Mullen, Head of Strategy & Commercial Compliance
Eimear Cusack, HR Director
Angela McEvoy, Senior HR Manager
Richard Waghorn, Director of Operations & Technology
Vivienne Flood, Head of Public Affairs
Grace Berkery, Head of Corporate Strategy
Troy Bannon, Head of Property and Services
Bob Semple

Apologies: Susan Ahern
Kevin Bakhurst (Director General)

1. Minutes

The Minutes of 26 October and 3 November 2023 were approved. The Board noted the contents of the Board tracker.

2. Declarations of interest

None.

3. Director General's Report - Adrian Lynch

Strategy Framework

AL outlined the launch of the strategy and the town hall noting that it was received well by staff and showed the DG's commitment to transparency. There will be more divisional town halls across the organisation. The main town hall was very comprehensive which meant that other discussions were constructive. A commitment was given about being able to input into direction of travel and there is a consultation going on together with a survey. All the feedback will be taken on board and the next steps is a costed plan and the Roadmap/Timeline for that will be outlined later in the meeting.

Reports and Reviews

AL noted that with the Reports and Reviews there is a significant ongoing workload with further requests also coming in from the Oireachtas Committees.

HR

AL stated that there are three roles in recruitment - CFO, Director of Legal and Company Secretary.

WTW is at the next stage of the process. It is a significant deliverable for 2024 and there are risks in relation to resources and the size of project

Finance

The organisation is carefully monitoring cash flows and the budget will include €10m of cuts. AL noted that there are a lot of items for cost cutting and the business needs to get on with implementation of those and there will be a communication to staff later.

Content and Audiences

AL stated that audiences are strong. The linear share is equal to where it was last year. The overall TV universe decline halted in 2023 which is driven by events and a move away from subscriptions. Streaming is going well due to investments in technology. Audio is proving solid for RTÉ. News is proving very strong. AL highlighted the very strong, documentary – ‘Patrick – a young traveller lost’ which was screened in the Lighthouse with a discussion afterwards. The President endorsed the documentary. The LLTS was watched by 1.461m in the first 24 hours – over 100k more than last year. AL noted that it was a very strong performance and the host did a very good job.

LF numbers were down by less in the last week yoy but it is too early to say if this is a trend.

Risk Register and Corporate Governance

AL stated that the Risk Register had come to the ILT for discussion and then it had been sent to the ARC. There was a detailed discussion at the ILT and it will come to the ILT monthly.

Commercial

AL noted that the team has done very good job. Through all the noise the agencies stayed loyal. The Commercial Review is coming to the ILT next week.

PJM stated that it is good to see that the strategy landed well and he noted the good news on commercial and LF. PJM asked about the timeline on reports. SNR indicated that the hope would be to have an ARC and Board meeting on the 11th to discuss GT3 provided it is finished. The hope is that the McCann FitGerald report would also be finalised that week. It appears the Mazars Report will be in January.

JR asked about the impact of trying to deliver services with cuts and the suspension of new hiring. AL noted that the business has not run into a significant issue yet but there are certain key projects in 2024 which will require investment in roles.

AOL noted that the Risk Register will be going to the ILT every month and stated that it would be good if that report were sent to the ARC.

AH noted the work done on the Risk Register and asked about the impact of [REDACTED] sentiment in relation to staff after Thursday. AL noted that it is a very difficult environment for RTÉ staff to go out and do their jobs. RS stated that this issue had been discussed in the news room and is a big source of concern. RS stated that in his view there needs to be a tightening up of physical access to campus and a more formalised approach to security of news and broadcast operations. SNR asked AL to come back with more detail on this for the next board meeting

SNR asked about the reference to the Euronews contract in the ILT minutes [REDACTED]. AL noted that Euronews sits in the schedule and [REDACTED]

4. Committees

Audit and Risk

SNR referred to the draft minute of the ARC meeting and noted that there was a lot of finance discussion which would be before the Board letter. In relation to Deloitte SNR noted that it has not proved possible to separate out the assurance reports so it is proposed that the work will be done by Deloitte with the audit. The Board agreed with this approach. SNR updated the Board on the recent data access request which will require input from the Board.

Remuneration

SNR noted that there had been only one item on the agenda which was to formalise AL's role as Deputy Director General and the recommendation of the Committee was that this be done.

Proposed: Robert Shortt
Seconded: David Harvey

Digital Committee

JR updated the Board on the Digital Committee. He noted the continued strong performance of Player and the success of the LLTS on the Player. The Committee had discussed the News App. The existing app has performed well with a very limited budget but it is old technology and at risk of falling over. A plan was presented and the Committee was happy with the proposed spend but were concerned about the timeline which is proposed to be 18 months. This was not resolved at the meeting. JR noted that RTÉ has no in house app developers and the Committee thinks this is a risk and a disconnect with delivering on strategic plans. AOL noted that there is more external experience when it comes to app developers. JR agreed that the heavy lifting may have to be done outside but there needs to be an internal resource inside. With agile

development there needs to be constant monitoring and iterations to improve. AL stated that this needs to be looked at and discussed further. SNR stated that there needs to be a Board session on the priorities and being in line with the strategy.

JR stated that the Committee also looked at DAI which is successful and up and running and the focus now moves to commercial as there is more inventory to sell. The team is going to navigate and report on this.



Programme Committee

AH referred to the draft minute of the Programme Committee and noted that the aim is to have the work of the Committee align with Strategy. The Committee had received an excellent presentation on drama which is a really positive news story noting the increase in hours from 12 to 43.5. AH stated that given the success of drama there needs to be a consideration of performance commitments in relation to drama and there is a good argument for reviewing how RTÉ talks about drama. The Committee is also currently reviewing its ToR.

Oversight – Governance and Culture

AH noted that the Committee had met with the EAC on 17 November which was the third meeting to date. It was a lengthy agenda. The Committee and the EAC acknowledged the huge workload in sharing the information with the EAC. The EAC asked about strategic vision and reforms and the Committee stated that they believed these are intrinsically linked. The Committee gave the EAC updates on reports and BS provided a topline engagement on the staff survey. The EAC provided an update on their progress and their survey and believe they are on target for February. There will be further meetings in December and January.

Oversight - HR

DH outlined that a huge amount of information and response had been supplied to the EAC and there had been recent requests for further information which is being dealt with.

2rn

SNR noted that she had visited 2rn for the Board meeting. Apart from the usual items on the agenda which were reported and dealt with well there was an interesting long document scoping out 2rn in the future. She noted that this is a long term project. SNR commented that 2rn and CEL need to be more part of the organisation and a central part of strategy.

Audience Council

PM updated on audience council recruitment and SNR updated on AC correspondence.

Strategy Committee

SNR proposed that PJM step down as Chair of the Strategy and that JR be appointed Chair and the Board confirmed their approval. SNR thanked PJM for his work as Chair of the Committee.

5. Commercial Update

(CM and MF joined the meeting)

CM noted that he would send an update on radio figures. He stated that October was a strong month across tv and radio. November was very strong – [REDACTED] and radio doing very well and that is continuing into December. TV [REDACTED] is down significantly in November and December. Digital in December will also be down. There is good news around sponsorship with three new sponsorship deals. CM noted the risk in that a lot of decisions being made in the UK and growth might be a problem. CM noted that the LLTS was only [REDACTED] off last year's figures. The Board discussed whether there is a shift in client spend and CM noted that it is necessary to look at seasonal comparisons. CM noted that the biggest challenge is long term investment such as

[REDACTED]

CM went through the various sponsorship deals and Daire Hickey asked if RTÉ is going out early enough for sponsorship deals. CM stated that they need to know what is going to be in the schedule before seeking sponsors and potential sponsors might have other commitments.

CM stated that it might be useful to have a session in relation to how RTÉ sells across the market.

SNR asked that in future commercial reports there be a summary at the end with risks and mitigations and a running total of advertising.

CM left the meeting.

6. Finance

October Management Accounts

MF went through the October Management Accounts. Income Statement versus latest forecast shows a positive variance of [REDACTED] LF shows 29% down yoy and the expectation is a drop of €21m for the year. Last week the drop was not as severe and An Post are out and about with Inspectors and sending letters so there may be a slow to the drop but it is too early to say. PROC costs are [REDACTED] favourable. Overall YTD vs Budget is [REDACTED] adverse. Daire Hickey stated that there is an increase in costs in 2023 vs 2022. MF noted the pay increase and the fact that production had been more limited in 2022 in the aftermath of Covid.

Cashflow update

MF went through cashflow and the assumptions in relation to cashflow which he noted did not include the cost savings. MF noted that any redundancy programme in 2024 would come out of land sale cash.

AOL noted that in the context of a consideration of reckless trading there is no way out without future funding for RTÉ. MF agreed noting the importance of the change of the funding model. SNR stated that the Government has already committed to fix the LF issue prior to the end of next year. It will have to decide on the funding of PSM which would include transitional payments. AOL noted that it is important to keep a consideration of reckless trading under discussion throughout the year. SNR confirmed that she has put the issue on record with the Department. Daire Hickey noted the lack of scenario planning in case the amount provided by Government is less than expected. MF stated that costs had been taken out in 2023 and €10m will be taken out in 2024 and there is ongoing active day to day management in relation to costs. Daire Hickey stated that the business should be planning and looking at options well in advance. AL stated that he would take that point away and action it.

Budget 2024

MF went through the Budget and the changes to the previous version. He noted that the Budget includes strategic digital initiatives but other things have come out. RS asked about the proposed cuts, the communication of those cuts and the structure as to how it is to be managed. [REDACTED]

[REDACTED] AL noted that there are a set of further contingencies that can be leveraged to manage costs.

Daire Hickey stated in the last budget costs were 361 million and now are 372 million so RTÉ is in fact spending more. He noted that more cuts are necessary and referenced the [REDACTED] resources. MF noted that the actual operating costs for 2023 will be 351 million so 10 million better than budget. The Board discussed what the future operating costs of RTÉ would be after the implementation of the Strategy. MF noted that 2024 included a full year of pay increases and it is a special events year.

The Board discussed the approval of the Budget. SNR proposed that it be approved subject to conditions and the Board would consider the conditions and revert to MF. The Board discussed the type of conditions and noted that the conditionality should be based on targets to be achieved. Daire Hickey stated that he would like to have a breakdown of the differences between the 351 million and the 371 million. AH stated that she would like to see another draft with the cuts included. It was agreed that there should be another draft of the budget and the Board would have a discussion amongst themselves in relation to the conditionality. AOL stated that she would like more frequent updates on how the figures are being managed as she is concerned about running out of cash.

AL noted that the announcement about certain cost cutting would be going ahead today.

Bank Mandate

MF updated the Board in relation to the necessity to update the mandates for Bank of Ireland, AIB, Investec and Fexco. It was proposed that the Board approve the updated mandates as set out in the papers and appended to these minutes

Proposed: Robert Shortt

Seconded: David Harvey

7. Scope

(EC and Angela McEvoy joined the meeting)

EC noted that the Scope process is ongoing. She outlined the detail of recent interactions with the Department and the Secretary General. EC pointed out that individual rights meant that it is difficult to come to a more general solution. EC also noted the importance of the integrity of the Eversheds process. EC noted the internal appeal which is due to take place in January which might have an impact on eleven more cases. EC pointing to the complexity of the issues and the difficulty with navigating this and how the organisation can move forward.

MF brought the Board through the provisioning in relation to this matter and pointed out that there are still a lot of unknowns and variables at this point in time. MF agreed to look at a provision which would be analogous to an Eversheds solution but noted the complexity involved.

The Board discussed the Eversheds solution and the cases before the WRC. EC noted that the issue with Scope is that there is no time limitation unlike Revenue. Angela McEvoy noted that Scope is about insurability and nothing else [REDACTED].

The Board discussed the adequacy of the provisions and asked that it be considered some more and brought back to the Board.

SNR asked about the costs of WTW [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] noted that resources in HR are dealing with Scope, the EAC Review on Contractors and WTW which means there is a risk for RTÉ as the pressures on the HR team are overbearing.

(MF, EC and Angela McEvoy left the meeting)

8. Strategy

(GB, RW and VF joined the meeting)

AL noted New Era will engage with RTÉ in relation to the Strategy Framework – they will want to validate the costs and the timings over the five years. There will also be a sense of the what ifs and scenario modelling with the Department, CnaM and New Era who are themselves working out how they will interact with each other and RTÉ.

GB went through the Roadmap for the Statement of Strategy and noted that there will be ongoing engagement with the Board strategy committee and the intention would be to bring the Statement of Strategy to the February Board meeting with a view to submitting to Minister. Currently RTÉ is working through the detailed plan year by year to work out costings. The Statement will define success and metrics to measure the success. AL noted that the sequencing of decision making is very important. JR stated that he thought the engagement with the main Board with the financial projections should be earlier than February. GB stated that this can be worked out. SNR stated that it would be useful to set out trigger points for the Strategy Committee – what key decisions have to be taken? The Board discussed the importance of metrics and measurement. SNR asked about resources and AL noted the pressure HR are currently under. SNR asked about feedback and VF stated that the initial feedback would be on 11 and 18 December.

(GB left the meeting)

9. Climate Action

(TB joined the meeting)

TB noted that this update is as required under the commitments in the New Era framework. Objectives are set at Board level and reported on. TB went through Commitment 1.

Commitment 2 depends on the application of RTÉ's own resources. It is the nuts and bolts in reducing energy and linked to strategy for property and technology. TB noted that the buildings have issues. It is difficult to balance the fact that they are listed with energy efficiency. TB noted that all of this will be looked at in 2024. Any improvement will contribute but will be costly therefore RTÉ needs to be clever with its plans. ■■■

■■■■■ TB noted that a phased upgrade cannot be done in a live broadcast environment.

TB went through Commitments 3 and 4.

In relation to Commitment 5 TB noted that there is a resource challenge here. Reporting obligations have to be taken seriously and the reporting requirements are very onerous. TB noted that there are huge interdependencies with the Strategy.

SNR asked about EU resources and TB noted that RTÉ would have to be further down the path before that could be explored. TB noted that it might be worth a conversation with Government.

Board noted that they had received the update in accordance with the Commitments.

10. RTÉ Toy Show Appeal

VF noted that the RTÉ Toy Show Appeal was enormously successful and recent events had not impacted on people giving money for a good cause. VF noted that work is ongoing to finalise the grant structure for 2024 in a similar way to 2023. There has been a fund of €25m over 5 years with a reach across Ireland. Over the next year consideration will be given to what ways RTÉ can more expertly capture data. RS stated that he would like acknowledge the governance work around this. VF stated that there is excellent due diligence and recording and assessments of impact. There is a good solid structure and the organisation is always looking to see if anything can be improved. Daire Hickey noted that it is very heartening and that RTÉ should be getting this message out broadly. VF noted the branding and attribution to RTÉ and the work that is done in this regard with the charities.

11. Corporate Governance – Bob Semple

Board skills

BS provided a brief recap on the paper circulated in relation to Board skills and noted that from this the Board can identify signature strengths and the strengths the Board would like to enhance and it will encourage existing board members to enhance skills. The Board discussed having a Board Training slot at board meetings. SNR referred to the recruitment of new board members and noted that the intention is to have a panel from which Board members can be drawn and the new campaign will highlight areas where there is a gap. AOL asked if there are specific requirements in relation to conflicts of interest and PM stated that she had a conversation with NTMA in this regard. PJM noted that Arts and Culture is a really important skill set for Board members. The Board discussed the appointment process.

Governance Action Plan

Analysis of staff survey – over 600 responses.

Psychological safety – results not flattering – strong messages – opportunity for work

Risk questions – problems

Purpose – strong reflection on psb – related statements

Most challenging piece suggestions for improvement – just Board today – listen better and communicate more effectively with staff – big call for greater Board visibility

People issues – lots on scrutiny of leaders and evaluation, a lot of criticism of middle managers. Strong adverse comment on HR function.

Transparency – stop leaking – start defending RTÉ.

Critical importance of digital.

Can we move on – get back to business?

Going to feed back suggestions into ILT - use suggestions

Behind where we want to be on governance plan – iterative process – get first draft and I would polish bring to ILT and then to Board and do workshops.

AL – people are in demand and resources stretched.

BS – should be thinking about how difficult the annual report would be.

12. Financial Authority Limits

The Board considered the paper and the proposal for the RTÉ/ [REDACTED] deal 2023/2024. The Board resolved to approve the deal as outlined

Proposed: Robert Shortt
Seconded: Aideen Howard

The Board considered the paper and the proposal for the Fincons Contract Extension. The Board resolved to approve the contract extension as outlined.

Proposed: Aideen Howard
Seconded: Robert Shortt

The Board considered the paper and the proposal for Fibre Circuits. The Board noted that this was a pre tender approval. The Board resolved to approve the tender proposal.

Proposed: David Harvey
Seconded: Robert Shortt

PM outlined the proposal in relation to the music licences and [REDACTED]

[REDACTED] The Board considered the papers in relation to the Renewal of the Music Licence with IMRO for 2024 and the Renewal of Music Licence with MCPS for 2024. The Board resolved to approve both renewals as outlined.

Proposed: David Harvey
Seconded: Robert Shortt

13. RTÉ Pension Schemes

RTÉ Superannuation Scheme Pension Increase

The Board considered the paper in relation to the request for a pension increase of 4% and noted that the NTMA is seeking confirmation of support from RTÉ in respect of increase. The Board noted the position of the pension scheme and the tests and calculations carried out by RTÉ and confirmed their support for the payment of a 4% pension increase to the pensioners of the RTÉSA.

Proposed: Robert Shortt
Seconded: David Harvey

Trustee Appointment for the RTÉ Superannuation Scheme

It was noted that the Board had advertised and been seeking a new pension scheme Trustee. The Group Secretary and the Chair had met with a potential candidate and following that process it was proposed that Michael Madden be nominated as a Trustee of the RTÉSA with effect from 1 January 2024 for a period of three years.

Proposed: Robert Shortt

Seconded: David Harvey

RTÉ Defined Contribution Pension Scheme

Following the resignation of one of the member elected Trustees to the RTÉ Defined Contribution Pension Scheme it was proposed that John Paul Coakley be nominated as a Trustee for the remaining term to 31 May 2024.

Proposed: Robert Shortt

Seconded: David Harvey

14. AOB

KB updated the Board on the latest PAC Request for information.

SNR updated the Board with the Report and legal costs to date and confirmed that the final costs will be updated to the Board.

The Board carried out a review and summation of the Board meeting.

The meeting concluded.



Signed: _____

Chair