

Raidió Teilifís Éireann
Minutes of the Meeting of the Board of RTÉ
held on 26 October 2023 Hybrid at 10am, RTÉ and via Teams

Present: Siún Ní Raghallaigh (Chair)
David Harvey
Daire Hickey
Robert Shortt
Aideen Howard
Susan Ahern
PJ Mathews
Connor Murphy
Anne O'Leary
Jonathan Ruane
Kevin Bakhurst (Director General)

In Attendance: Paula Mullooly, Group Secretary
Mike Fives, Group Financial Controller
Conor Mullen, Head of Strategy & Commercial Compliance
Adrian Lynch, Head of Audiences, Channels & Marketing
Richard Waghorn, Director of Operations & Technology
Vivienne Flood, Head of Public Affairs
Grace Berkery, Head of Corporate Strategy
Mike Fives, Group Financial Controller
Niamh O'Connor, Deputy Director of Content
Eimear Cusack, Director of HR
Deirdre McCarthy, Director of News
Joseph Hoban, Head of Communications & Brand

1. Minutes

The Minutes of 21 September 2023 were approved.

2. Declarations of interest

None.

3. Strategy

PJM as Chair of the Strategy Committee stated that he would like to introduce this discussion by acknowledging all the hard work done by the ILT on the Strategy, with many drafts and feedback from the Committee. Before the Board is:

1. The Strategy Framework
2. High level financial modelling for 5 years.

The purpose of this to determine the direction of travel and to unlock public funding.

The task involved two challenges, firstly that the Strategy Framework needs to be future focussed and demonstrate clearly to future audiences the relevance and importance of PSB, and secondly demonstrate an ability to put RTÉ on a level financial footing.

KB introduced the team and noted the structure of the meeting would be to:

- Recap overall plan and roadmap
- 2024 cost cutting plan
- Draft preface
- High level financials
- Board feedback
- Consultation plans
- Communications plans
- General discussion and next steps

KB noted that the Strategy Framework will publish a direction for a New RTÉ and deliver a vision for 2025 onwards and will hopefully unlock political will on public funding. This is important for both inside and outside the organisation. It will be followed by a fully costed plan with the aim of getting the funding model fixed. KB stated that cost cutting had been separated out from the Strategy and the strategic vision is based on a properly funded RTÉ.

GB went through the timetable:

- Strategy Framework is before the Board for approval and once approved it would be published in early November
- Consultation process
- More detailed statement of Strategy

GB stated that progress would be updated at the November Board meeting.

The Board discussed the need to unlock the 40m of funding and how that would fit into the plan. The Chair noted that the Strategy Framework would be provided to the Department and they would consult with New ERA and DEPR and then hopefully the 40m could be released before the end of the year. KB noted that the aim is to have enough detail for the 40m funding and that a detailed plan would take time. The Chair noted that the 40m is based on the estimated shortfall in LF revenue. Daire Hickey asked about whether there is a risk as the plan is not fully costed. KB stated that this is what the Government has asked for and the plan is to spend time talking it through with Government and there will be a detailed plan in the New Year. Daire Hickey and AOL asked about cost cutting and KB stated that there is a programme of cost cutting alongside the Strategy Framework aimed at plugging the hole in 2024. AL stated that there should be a clear demarcation between cost cutting and the Strategy Framework. RTÉ has been taking the FOMC recommendations into account and the Government is looking for a plan with a vision for the future of PSM.

MF noted ■■■ had been taken out in costs in 2023 to improve the bottom line. MF went through the risks and opportunities and proposed cuts for 2024. SA asked about the impact of the cuts on commercial revenue. KB noted that in considering the cost cutting care had been taken to minimise commercial impact and to ring fence core PSM content. AL noted that the cost cutting would be implemented immediately. KB stated that there would be a limited VEP programme to facilitate some of the cuts. MF noted that digital investment is protected. JR asked if a similar table of the cuts that had taken place in 2023 could be provided. MF then went through other potential adjustments. AL noted that some of these adjustments would need to be considered strategically. KB stated that

the confirmed cost cutting would be announced and there are other matters being looked at.

The Board discussed the importance of publishing the cost cutting measures to show how seriously the organisation is taking the financial situation. David Harvey noted that the cuts signal that the Company is working to create a sustainable basis for the future. KB agreed stating that they are a real signal of tough choices to build a Future RTÉ. Daire Hickey stated that there should be some ongoing measurement of cuts and saving and KB agreed.

Draft Preface

The Chair indicated that she would like to see what has already been cut in 2023. In relation to VEP numbers KB indicated that the plan is for 40 next year funded from the Land Sale monies and the remainder would happen over 3 years and would need funding. The Board recommended that specific numbers be used to contextualise, evasion and no TV homes.

The Board discussed the plans for an immediate 40 voluntary exits.

RS noted that the organisation needs to be sure it can deliver the cost savings.

High level 5 year Forecast

MF pointed out that this forecast is what RTÉ looks like with sustainable funding. The Board discussed this and the assumptions made which are based on proper public funding for RTÉ. David Harvey noted that the message is about delivering a sustainable RTÉ. The Board discussed the Commercial Revenue, operating costs and provisions in the accounts.

Board Feedback – RTÉ A New Direction

KB stated that the Framework shows significant strategic moves with 10 pillars. It doubles down on the role as PSM. The document is a pitch for the future – how RTÉ is going to look substantially different. KB stated that he is confident about going out to explain and defend this strategy. It is ambitious and the right vision for the organisation.

The Chair noted that if there are specific comments they could be submitted to GB. She wanted the Board to consider the fundamental approach. SA stated that she believed it to be a really good direction of travel and was on board with it. RS noted that there is a lot in the document and asked about the implications for the site and the workforce on the regionalisation of production. RS also noted that there is not a lot said about radio or the direction of travel of radio. RS stated that he would like to see more on the cost benefits of the decisions being made. KB noted the comments about radio and that would be reviewed. NO'C noted that regionalisation fits into the wider content strategy and work is being done on that.

The Board discussed the current Cork premises and the plus one channels. The Board also discussed work practice issues and union agreements.

AH noted the exciting direction of travel in the long term and noted the cost cutting measures for 2024. She noted that the document needs to lean into core PSM and why it is needed.

CM noted that his comments relate to the structure of the plan – what are the priorities and how it is packaged.

Daire Hickey agreed noting that he would like to see it set out more clearly. He noted that he is happy with the VEP but thought there should be more about new audiences and how RTÉ will nurture the independent sector. Would like more in relation to news and younger audiences and the investment in digital. DMcC noted that there is a good story to tell in relation to younger audiences in news and maybe it should be included in the Strategy. NO'C agreed in relation to nurturing the independent sector – the more money that is put in the more it can grow.

PJM stated that he would like to acknowledge the work that has been done noting that the full detail cannot be reflected in this document. He stated that he would like to see how the organisation aligns with arts and culture in Ireland and to find ways to align with the national strategy for creative industries.

AOL suggested that the document be less wordy and more punchy. She noted that she was happy with KB's view that the Government is looking for a Framework document.

David Harvey stated that he is very impressed and would be in favour of the full cuts. He asked about a land sale. KB noted that the valuations of the land are significantly lower than those suggested. He stated that there might be a possibility to do something with some of the land but there is an urgency to this reform. RW noted that when the land was sold previously that took 3 years. If RTÉ were to sell some of the land it would take 2/3 years to get the infrastructure sorted and then there would have to be sales enabling works. MF noted that the land sale is a deflection – there needs to be a proper solution to ongoing funding.

JR stated that he would like to see all of the information out in the open and he thanked everyone for their hard work.

The meeting broke for lunch

(Connor Murphy left the meeting)

Stakeholder Engagement and Communications Plan

Joseph Hoban joined the meeting.

VF outlined a proposed approach for Stakeholder engagement noting that given the limited time available that this was felt to be the best approach. She noted that consultation was aligned with best practice and corporate governance. It is a tool which provides objective analysis and data to support the unlocking of public funding. VF went through the stakeholders and the timeline noting that there would be a combination of online questionnaires and focus groups. The final report would be due the week of 20 December to enable input and consideration for the final Statement of Strategy in January. SA asked if the Audience Council could feed into this and VF confirmed that they could.

JH went through the Communications Plan, the document, the design and the proposed communications. The Board discussed the Plans and the core messaging and the likely questions that would be received. KB stated that he would be meeting the Minister next week and that care would be taken not to be hubristic in relation to the plan.

JR asked if the document would be changed based on consultation. KB stated that the core pillars would not be changed as they are the right ones but the question is are there nuances around what we are suggesting that can be captured.

The Board discussed the meeting with the Minister and the financial information to be supplied.

AH stated that, insofar as possible, the consultation should capture young people.

The Board discussed the consultation.

The Chair noted that the document needs another pass but asked the Board if they are agreed in principle to approve the thrust of the Strategy. The Board agreed.

The Chair noted that VF would circulate more information of the consultation process and asked that Q4PR be involved in the Communications Plan.

4. DG Report

The Chair noted that a written report had been provided and there were no queries.

The DG pointed to the update on RTÉ Guide Expenditure.

Sub Committee Notes

The Chair noted that the Sub Committee notes had been provided and there were no queries.

5. Commercial Update

Daire Hickey stated that he would like the format of the Commercial Update to change to less narrative and more numbers and for it to be consistent month to month.

6. Finance Update (*Mike Fives*)

JR asked MF if he was operating to a new budget. MF stated that the old Q1 forecast was out of date so he was operating an 8+4 forecast. The Chair noted that the 8+4 could lull the Board into a false sense of security.

7. Financial Authority Limits – Practical Implications

The Chair noted that a paper on this had been furnished by Michael O'Sullivan.

8. LLTS & Other Fundraising and Climate Action

The Chair noted that these matters had been deferred to the November Board meeting.

9. Sealing Protocol

With regard to the resignation of Dee Forbes on 26 June 2023 and as Ian Kehoe's term on the Board ended on 8 October 2020, the Board resolved:

That the official seal of Raidió Teilifís Éireann shall be authenticated by the signature of the Chair or Dr. PJ Mathews or Ms. Aideen Howard, and by the signature of Mr. Kevin Bakhurst, Director-General or Ms. Paula Mullooly, RTÉ Group Secretary.

The previous Resolution on this matter in the Minutes of the Board meeting of 2 February 2023 was thereby superseded.

Proposed: Anne O'Leary
Seconded: Aideen Howard

10. Trustee RTÉ Superannuation Scheme

It was agreed that following the resignation of Richard Collins, Eamon Tracey be nominated as Trustee of the RTÉ Superannuation Scheme from 1 November 2023 for a period of one year.

Proposed: Anne O'Leary
Seconded: Aideen Howard

11. Directorships

It was agreed that following the resignation of Richard Collins, Mike Fives be appointed as a director of RTÉ CEL DAC and RTÉ Music.

Proposed: Anne O'Leary
Seconded: Aideen Howard

It was agreed that following the resignation of Richard Collins, Adrian Lynch be appointed as a director of 2rn.

Proposed: Anne O'Leary
Seconded: Aideen Howard

12. Financial Authority Approvals

The Board having reviewed the papers in relation to the below items and resolved to approve the proposals:

Fleet Management Tender
Microsoft contract for 2024 and 2025
NIMux licence renewal and new transmission agreement
TAM Ireland
Digital Analytics

Proposed: Anne O'Leary
Seconded: Aideen Howard

Radio studio desk upgrade and Studio gallery 2 upgrade to HD and IP

(Richard Waghorn joined the meeting)

The Chair asked if the money for the upgrades was coming from land sale monies. RW stated that for the sound desk it was coming from the annual capital budget – some from 2023 and some from 2024. For the Studio Gallery it is coming from the 2024 annual capital budget. The Chair asked how necessary the expenditure is. RW stated that the Radio Studio Desks are core pieces of infrastructure – the current desks are old and need to be replaced. Gallery 2 has not been used for a number of years – if a basic technical upgrade is done then Galleries 4 and 5 can be upgraded. RW noted it will be a bare bones upgrade but it will be done as an IP gallery. The Chair asked about timing. RW stated that the Radio desks will be spent now and into 2024. The Gallery will be done in June 2024 but it has to be procured now.

The Board agreed to approve noting that the tender would come back to the Board

OB Tender

(Declan McBennett and Niamh O'Connor joined the meeting)

The Chair noted that the Board had read the papers and she had some queries. She noted the duration of the proposed tender and stated that it is very difficult for the Board to go beyond [REDACTED] due to the cash position of the Company even though that might lead to higher costs in the short term. In relation to the specification, she noted that the specification is high and if there could be a minimum specification. [REDACTED]

[REDACTED] The Chair noted that there had been additional OB costs last year and DMB stated that this was due to the change in the GAA format and this will not happen this year. RS asked about competition in the sector and DMB noted that on the last occasion there were [REDACTED]

The Board agreed to approve the tender on the basis that the proposed contract is for [REDACTED] with the option for an extension or a [REDACTED] contract with a break clause after [REDACTED]. The Board noted that it would come back to them post tender

United Rugby Championships

DMB noted that RTÉ is half way through this contract which includes TG4, BBCNI and RTÉ. It delivers 48.5 hours to the TG4 protocol. It is largely outsourced to an Irish production company.

The Board agreed to approve the URC contract.

Operation Transformation

(Sean Mac Giolla Phadraig joined the meeting)

NOC stated that this contract related to independent spend and it is the 16th series of the show. It will start in January 2024. SMGP noted that it is good to have a winter show and it is a good brand for RTÉ. [REDACTED]

[REDACTED] The Board discussed sponsorship of the Series. The Board discussed the pre-production work. NOC noted that finding a sufficiently diverse range of participants rolls throughout the year but production would be from now until January. The Chair stated that it is important that no work should be done by a Production Company without contracts signed and being cash flowed. The Board agreed to approve the Series.

13. AOB

KB updated the Board on the recruitment of the Commercial Director, the process and the candidate and stated that he is very pleased with the selection. The Chair agreed.

KB updated the Board that the Director of Legal/Group Secretary had regrettably tendered her resignation at the beginning of the week so there would be a recruitment process starting for two roles Director of Legal and Company Secretary.

The Chair noted that in relation to Board appointments she had suggested skillsets of HR and Finance to the Department but that she would use Bob Semple's skillsets documents to inform future appointments.

The Chair noted that this was Connor's final meeting but that she would send out an email thanking him and Board members could contribute.

The meeting concluded.

A handwritten signature in black ink, appearing to read "F. M. Ruggie".

Signed: _____

Chair