

**MINUTES OF THE TWO HUNDRED AND SIXTY-NINTH MEETING OF
THE OFCOM BOARD HELD ON 12 FEBRUARY 2020**

Present

Terry Burns	Chairman
Maggie Carver	Deputy Chair
Angela Dean	Non-Executive Member
Bob Downes	Non-Executive Member
David Jones	Non-Executive Member
Graham Mather	Non-Executive Member
Jonathan Oxley	Executive Member and Interim Chief Executive
Tim Suter	Non-Executive Member
Ben Verwaayen*	Non-Executive Member

*Joined the meeting by telephone.

Observer

Melanie Dawes	Chief Executive Designate (from minute no.2)
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In attendance

Polly Weitzman	General Counsel
Jacqui Gregory	Corporation Secretary
Jenny Leyland	Assistant Secretary to the Corporation

Other Ofcom colleagues:

- Kevin Bakhurst (minutes 8-12 & 16-21)
- Yih-Choung Teh (minutes 8-12 & 14-15)
- Katie Pettifer (minutes 8-12)
- Lindsey Fussell (minutes 14-15)
- Curtis Juman (minutes 14-15)
- Clive Carter (minute 14-15)
- Vikki Cook (minute 16-21)
- Siobhan Walsh (minute 16-21)
- Gwen Morgan (minute 16-21)

Private Session

1. During a private session, the Chairman updated the Board on the conclusion of the process to appoint Ofcom's new Chief Executive. The appointment of Dame Melanie Dawes, with effect from 2 March 2020, had been announced on the day of the Board meeting, and she had been invited to attend the meeting as an observer. The Board noted, with regret that the Chairman would be standing down at the end of the year. The Chairman confirmed that he would remain in post until his successor was appointed, even if that was beyond the end of the year.

Declaration of Members' Interests – oral

2. There were no new declarations of interest raised by Members at the meeting.

Chairman's Introduction – oral

3. Ofcom Chief Executive Designate: The Chairman welcomed Melanie Dawes as an observer at the meeting. The Board congratulated Melanie on her appointment and welcomed her to Ofcom. The Board recorded their appreciation to Jonathan Oxley for the way he had fulfilled the role of Interim Chief Executive.
4. Ofcom Board Member for Northern Ireland: Ministerial approval was awaited to start the process for appointing a Board Member for Northern Ireland. The Board was updated on next steps and the preparatory work which was being undertaken.
5. Appointments to the Channel 4 Board: Two appointments to the Channel 4 Board were currently awaiting Secretary of State approval. At a recent meeting, the Chairman had reminded the Secretary of State that the recommendations were with her for approval.

Minutes of the meeting held on 18 December 2019 and matters arising – Board Minutes 268(19) and note of action points

6. The minutes of the Ofcom Board meeting held on 18 December 2019 were **APPROVED** for signature by the Chairman as an accurate record.
7. A summary of progress against action points had been circulated and the status updates against each of the actions were duly **NOTED**.

Interim Chief Executive's Report – Board Paper 1(20)

8. Jonathan Oxley updated the Board on key developments since the last Board meeting. These included the following:
- Promoting Full Fibre Rollout: Ofcom's latest proposals to promote investment in full-fibre networks had been published on 8 January 2020 in the Wholesale Fixed Telecoms Market Review (the 'Access Review'). The proposals had been well received with positive statements from BT and other network operators, as well as from Government. The Board was updated on (i) recent engagement with BT following publication of their interim results; (ii) a roundtable discussion which had been held at Downing Street on 16 January 2020, which was attended by the Chief Executives of the main broadband providers; and (iii) the current DCMS focus on developing plans for providing broadband to the "final third" of the UK population.
 - Public Interest Test: On 21 January 2020, the Secretary of State had issued a Public Interest Intervention Notice concerning the acquisition of the 'i' newspaper by Daily Mail and General Trust (DMGT). Ofcom was now required to report to the Secretary of State, by 13 March 2020, on whether the transaction raised public interest concerns in relation to the plurality of views in UK newspapers.
 - Disclosure of documents to Government ahead of publication: DCMS was continuing with plans to require Ofcom to share certain documents with the Government ahead of publication, and a Statutory Instrument was due to be laid on 13 February 2020.

Ofcom had been consulted on the regulations and had developed with DCMS officials a Memorandum of Understanding on how the regime would operate.

- Royal Mail: Royal Mail had published their Quarter 3 results on 7 February 2020. The Board was updated on key points.
- Shared Rural Network (SRN): The Board was updated on continuing discussions between DCMS and the mobile network operators, the purpose of which was to reach agreement on a deal to improve 4G mobile coverage through a Shared Rural Network, ahead of a potential announcement in the Budget on 11 March 2020.

9. The Board **NOTED** the report from the Interim Chief Executive.

Online Harms Update - Oral

10. On the day of the meeting the Government had published its initial response to the Online Harms White Paper, stating that it was minded to appoint Ofcom as the regulator for online harms and to enforce rules to make the internet a safer place. Government was expected to publish a full consultation response on Online Harms in spring 2020. Government had confirmed that Ofcom would be the regulator of Video Sharing Platforms (VSPs) based in the UK. Government had also said that it would carefully consider the full impact of the potential regulatory change, both for Ofcom and to inform its broader work on the regulatory landscape.

11. The Board was updated on the work which Ofcom had already been doing to prepare for the prospect of new online responsibilities, integrated with the planning for the implementation of a new regime for regulating VSPs. The Board was also provided with a briefing on the approach being taken to developing a workable and effective Online Harms regulatory model and the anticipated timetable for the activity that would be needed to support that.

12. Following discussion, the Board **NOTED** the update.

Reports from Non-Executive Board Members – oral

13. The Board **NOTED** oral updates from Bob Downes as Member for Scotland and David Jones as Member for Wales.

Three Year Plan and 2020/21 Budget – Board Paper 2(20)

14. Board Paper 2(20) set out the three-year plan for Ofcom's work programme and the Budget for 2020/21. It was noted that the Board paper had been written ahead of the Government announcements made on the day of the meeting, as referred to in minute 10 above. The Board was advised that, in light of those announcements, further planning around implementation would need to be included in the work programme. Some adjustments would be needed to the proposed Budget for 2020/21, but these were not anticipated to be significant.

15. Following discussion and, subject to some amendments to be made to reflect recent developments, the Board:

- **AGREED** the overall direction for Ofcom's forward work programme over the next three years, as set out in Board Paper 2(20);
- **NOTED** the crucial role that Ofcom's emerging People and Transformation Strategy would play in Ofcom's future planning and the critical role that Ofcom's wider

supporting services would play, including Corporate Services, in supporting future work delivery; and

- **APPROVED** the proposed 2020/21 Budget and associated tariffs, as set out in Board Paper 2(20).

Annual Review of Ofcom's Risk Appetite Statement – Board Paper 3(20)

16. Board Paper 3(20) set out the outcome of the annual review of Ofcom's Risk Appetite Statements. It was noted that, since the Board approved the Risk Appetite Statements in February 2019, the operating environment and Ofcom's performance and work had not changed materially. The completion of a five-year horizon scan and Ofcom's current planning work did not indicate any need for change to the Risk Appetite Statements. On this basis, Ofcom's Risk Appetite Statements, which had been reviewed by the Risk and Audit Committee on 11 December 2019 and the Policy and Management Board on 28 January 2020, were recommended for approval by the Board with no change. It was suggested that, in light of the Government announcements referred to in minute 10 above, the Board might want to review the Risk Appetite Statements in a few months' time rather than in a year's time.

17. The Board **APPROVED** Ofcom's Risk Appetite Statements, as set out in Board Paper 3(20).

Future of Public Service Broadcasting (PSB) – Small Screen: Big Debate – Board Paper 4(20)

18. Board Paper 4(20) provided an update to the Board on the work being taken forward under the heading "Small Screen: Big Debate (SS:BD)", which sought to encourage a broad-ranging public debate on the framework that would most effectively strengthen and maintain those aspects of PSB which audiences valued the most. This included ongoing stakeholder engagement and audience research.

19. In accordance with Ofcom's statutory duties, an essentially backward looking five yearly review of the delivery of PSB had been undertaken and the 2014-2018 PSB Delivery Report would be published in the coming weeks. The Report would also set out key issues being considered in SS:BD. A conference event involving the Chief Executives of the PSBs and other organisations was planned for early May 2020. The Board would be asked to consider proposed recommendations ahead of publication of a consultation in summer 2020.

20. During discussion, comments were made by the Board about how PSB content was described. Ofcom would want to see the existing PSBs coming forward with new thinking about the future framework for PSB provision. A suggestion was made that consideration of what audiences wanted to watch should be nuanced by what, as members of society, they ought to have an opportunity to watch, eg, impartial news, and how to ensure that was made widely available. Reference was made to the continuing importance of the PSBs to the UK's creative economy, and to their role in producing content which reflected the whole of the UK. Reference was made to the consideration being given as part of the SS:BD work to possible alternative future funding options and the practicalities of introducing them.

21. The Board thanked the team for an interesting paper and was supportive of the approach being taken to the work on Small Screen: Big Debate, as set out in Board Paper 4(20). The Board **NOTED** the update.

Communications Consumer Panel/ACOD: Appointment of Member for Wales, and Advisory Committee for Wales: Reappointment of Chair – Board Paper 5(20)

22. The Board:

- **APPROVED** a recommendation being made to DCMS for the appointment of Dr Sian Phipps to the Communications Consumer Panel/ACOD as the Member for Wales for a three-year term until 31 March 2023; and
- **APPROVED** the reappointment of Hywel Wiliam as a Member and Chair of the Advisory Committee for Wales (ACW) for a three-year term until 30 June 2023.

Ofcom Market Research Framework: Approval of Contract Award – Board Paper 6(20)

23. In accordance with the Financial Authorities Framework (FAF), the Ofcom Board:

- **NOTED** that contracts with existing suppliers under the current Market Research Framework were due to expire on 31 March 2020;
- **APPROVED** the award of new contracts, for a maximum four-year term (ie, an initial period of two years, with options, at Ofcom’s discretion to extend for two further periods of 12 months), to those organisations noted in the Appendix to Board Paper 6(20) as “awarded a place on the MR Framework”. The proposal to award the contracts had been formed following the completion of an Official Journal of the European Union (OJEU) compliant procurement exercise for new suppliers for the Market Research Framework; and
- **NOTED** that, while there was no volume or spend commitment, the indicative spend on the Market Research Framework was £5,000,000 per annum. The total indicative cost over the four-year term of the contracts was, therefore, £20,000,000.

Information Items

24. The Board **NOTED** the following information items:

- Monthly Finance Report – Board Paper 7(20)
- Board Work Programme/Forward Agendas – Board Paper 8(20)
- Minutes of the Advisory Committee for Wales (meeting held 24 September 2019) and of the Communications Consumer Panel/ACOD (meeting held on 14 November 2019).

Any Other Business

25. There were no additional matters raised at the meeting.

Date of the Next Meeting

26. The next scheduled Board meeting will be held on Wednesday, 18 March 2020.