

**MINUTES OF THE TWO HUNDRED AND SEVENTY-THIRD MEETING OF
THE OFCOM BOARD HELD ON 17 JUNE 2020
MEETING HELD VIRTUALLY VIA MICROSOFT TEAMS**

Present

Terry Burns	Chairman
Maggie Carver	Deputy Chair
Kevin Bakhurst	Executive Member and Group Director, Content Media Policy
Melanie Dawes	Executive Member and Chief Executive
Angela Dean	Non-Executive Member
Bob Downes	Non-Executive Member
David Jones	Non-Executive Member
Graham Mather	Non-Executive Member
Tim Suter	Non-Executive Member
Ben Verwaayen	Non-Executive Member

In attendance

Jonathan Oxley	Group Director
Lindsey Fussell	Group Director, Consumer and External Relations and Acting Group Director, Corporate Services Group
Martin Ballantyne	Interim General Counsel
Jacqui Gregory	Corporation Secretary
Ian Vaughan	Head of Governance

Other Ofcom colleagues:

- Curtis Juman (minutes 26-30)
- Tim Burden (minutes 25-30)
- Mark Bunting (minutes 26-30)
- Jon Higham (minutes 26-30)
- Yih-Choung Teh (minutes 31-34)
- Camilla Bustani (minutes 31-34)
- Anil Patel (minutes 31-34)

Declaration of Members' Interests – oral

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

Chairman's Introduction – oral

2. Ofcom Board attendance: The Chairman noted that this was Jonathan's Oxley's last Board meeting as he would be commencing his period of gardening leave at the end of the month. Jonathan had joined Ofcom as Group Director, Competition and was appointed as a Board Member in November 2014. The Chairman, on behalf of the Board, thanked Jonathan for his valuable contribution to Ofcom, including during the period prior to Melanie Dawes' appointment when he was Interim Chief Executive, and wished him well for the future. Jonathan

acknowledged the Chairman's comments and thanked Board Members for their support and guidance.

3. Following Polly Weitzman's decision to resign from Ofcom, announced on 1 June 2020, she had begun a period of gardening leave. The Board recorded their appreciation of the valuable contribution Polly had made to Ofcom since joining the organisation in 2004 and wished her well for the future. The Board welcomed Martin Ballantyne to his first Board meeting following his appointment as Interim General Counsel.

4. September Board Workshop with Royal Mail: The Chairman noted that Stuart Simpson (Interim UK CEO) and Keith Williams (Executive Chair) had confirmed their attendance at the September Board Workshop session on Royal Mail. The Board made suggestions for the areas they would like covered during a workshop with Royal Mail which the Corporation Secretary undertook to ensure was fed back to Royal Mail.

5. Channel 4: Board Members noted that Secretary of State approval was still awaited for the News and Current Affairs Channel 4 Board non-executive director role. Following the Secretary of State's approval of Andrew Miller for the Finance role on the Channel 4 Board, his three-year term of office had commenced on 1 June 2020. In accordance with his terms of appointment, Charles Gurassa, Chairman of the Channel 4 Board, was required to notify Ofcom in advance of any appointments he wished to take up during his term of office. The Board was advised of a new role which Mr Gurassa had provisionally accepted. The Board noted that there were no issues with time availability and capacity given Mr Gurassa had stood down from one director role in November 2019 and he would be stepping down from another at the end of the year.

Minutes of the meeting held on 12 May 2020 and Matters Arising – Board Minutes 272(20) and Note of Action Points

6. The minutes of the Ofcom Board meeting held on 12 May 2020 were **APPROVED** for signature by the Chairman as an accurate record.

7. A summary of progress against action points had been circulated. One of the 'in progress' actions (September Board Workshop with Royal Mail) was resolved as part of the Chair's introduction. Status updates against each of the actions were duly **NOTED**.

Chief Executive's Report – Board Paper 42(20)

8. Melanie Dawes updated the Board on key developments since the last Board meeting.

9. DCMS Select Committee: The Board was informed that Melanie Dawes would be making her first appearance as Ofcom's Chief Executive before a DCMS Select Committee on 23 June 2020.

10. Cyber Security: The Board was updated on the work of the National Cyber Security Centre (NCSC) who were assessing the potential impact on UK networks following the US Government's sanctions on Huawei. It was agreed that a note on the matter would be circulated to Board Members for information.

11. Royal Mail: The Board discussed the Royal Mail announcement that Rico Back had stepped down from his position as Group CEO with immediate effect and, as noted earlier in the meeting

(min. no.4 refers) Stuart Simpson had been appointed as Interim UK CEO and the Chairman, Keith Williams, had become the Executive Chair pending a permanent successor being appointed.

12. China Global News Television Channel (CGTN): An update was provided on various matters relating to CGTN, including on Ofcom's decision that a number of CGTN's news broadcasts were in breach of the Broadcasting Code with respect to the due impartiality of their coverage of protests in Hong Kong in 2019.

13. Operational issues – Covid-19: The Board was updated on the operational Covid-19 plans and the work that had been undertaken to prepare for the limited re-opening of Ofcom's offices.

14. The Board was also updated on the discussions that had taken place within Ofcom following the death of George Floyd. The Board was updated on the internal diversity and inclusion strategy work that was taking place. The Board emphasised the need for Ofcom to focus on issues of diversity and inclusion and requested they have sight of the diversity and inclusion strategy.

15. Organisational design: The Board was updated on the organisational design work and informed that the workshops have been completed and elements of the work were being shared with the senior leaders. The overall design proposals will be brought to the People Committee in July.

16. The Board **NOTED** the report from the Chief Executive.

Report from the Chairman of the Content Board - Oral

17. Tim Suter, Chairman of the Content Board, reported on matters discussed at the meeting held on 19 May 2020. The meeting received a general update on a range of topics including, the PSB review, online harms and the various standards and audience protection complaints and investigations.

18. The Board **NOTED** the update from the Chairman of the Content Board.

Reports from Non-Executive Board Members – oral

19. David Jones provided an update on a market report on fixed broadband availability that was under development by the Welsh Government. The report had identified a significant number of premises (business and residential) where broadband had failed to be delivered. David Jones also reported on broadcasting in Wales relating to the Covid-19 pandemic and concerns raised around policy and jurisdiction.

20. Bob Downes provided an update on the initial findings of the report published by the Infrastructure Commission of the Scottish Government.

21. The Board **NOTED** the oral updates provided by Non-Executive Board Members.

Report from the Chair of the Risk and Audit Committee - oral

22. Angela Dean, Chair of the Risk and Audit Committee, reported on matters discussed at the Committee meeting held on 3 June 2020. Discussion had focused largely on annual opinions

from Ofcom's internal and external auditors, with no issues of concerns to raise. An update was provided on the development of the Strategic Risk Register, a straw man of which had been shared with the Committee; whilst not yet complete, good progress had been made and it was expected that the revised Strategic Risk Register would be presented to the Board in September. The Board was also informed that Deloitte, Ofcom's new Internal Auditors, had presented their audit plan for the first six months of the year and they were planning four audits during this period. The Committee had also noted progress on the tendering for the new People and Finance System and had asked for quarterly updates on the new system to be presented to the Committee going forward.

23. The Board **NOTED** the report of the Chairman of the Risk and Audit Committee.

Risk and Audit Committee Annual Report to the Board – Board Paper 43(20)

24. Angela Dean presented the Annual Report to the Board from the Risk and Audit Committee which summarised the Committee's work over the past year, as set out in Board Paper 43(20). The Board noted that this was in a new format and would form part of the Annual Report & Accounts for 2019/20.

25. The Board **NOTED** the Risk and Audit Committee Annual Report.

Ofcom 2019/20 Annual Report and Accounts and Section 400 Licence Fees and Penalty Accounts - Board Paper 44(20)

26. The Board was made aware of some of the complexities that had arisen as part of this process including the Treasury's decision to delay the laying of the accounts until the end of September. This had meant that while Ofcom had continued to work towards a July deadline, the NAO, Treasury and DCMS have taken a little longer than usual to provide input.

27. The Board was given an update on timings and was advised that Ministerial and Comptroller & Auditor General sign-off would be required by 10 July to meet a laying date of 15 July. However, Ofcom could defer laying of the accounts to 21 July as a fall-back option if required.

28. The Board had had an opportunity to comment between meetings on an earlier draft of the Annual Report and Accounts (AR&A) for 2019/20. The Board **NOTED** that an updated version of the AR&A had been circulated as Board Paper 44(20), together with a final version of the letter of representation and the final version of the section 400 accounts. The Board **NOTED** that there were still some further amendments to be made to the AR&A, including:

- amendments to the Remuneration Report to reflect recent observations from the NAO and comments from the Chief Executive;
- amendments to the Governance Report to reflect comments from the Chief Executive;
- potential amendments to the accounts to reflect the HMT discount rate issue; and
- some changes to ordering and numbering of sections within the Accountability Report (the "Statement of the Accounting Officer's Responsibilities" and "The Report of the Chair of the Risk and Audit Committee").

29. The Board **APPROVED** the AR&A, subject to the changes referenced above being made, and **APPROVED** the letter of representation and the final version of the Section 400 accounts.

30. In acknowledging the changes referred to above and further minor presentational changes, the Board **APPROVED** a delegation to the Chief Executive for final sign off, with the exception of the Remuneration Report that would also need to be approved by the Chair of the People Committee. The Board noted that, in the event of any substantive amendments needing to be made, full Board approval would be sought via written means.

Ofcom's Regulatory Model for Online Harms – Board Paper 45(20)

31. The Board was provided with an update on Ofcom's preferred model for regulating harmful online content and conduct, as set out in Board Paper 45(20), should Ofcom be confirmed as the Online Harms regulator by Government. Matters raised during the discussion included Ofcom's role in collaboration and engagement with other organisations in the online environment, research and other forms of online communications.

32. The Board discussed the parliamentary process for the Online Harms Bill, the likely timings and the preparatory work Ofcom has undertaken. The Board discussed how the regulatory process might work in practice, the factors and circumstances that could trigger a regulatory intervention by Ofcom and Ofcom's overall approach to enforcement.

33. A paper would be presented to the Board in July to provide an update on engagement with Government about the statutory framework and some of the key policy issues requiring Ofcom's input.

34. At the conclusion of the discussion the Board **CONFIRMED** support for the broad approach and principles described in Board Paper 45(20), recognising that these would continue to be tested, developed and iterated in the coming months.

Coronavirus Pandemic: Covid-19: Market Update – Board Paper 46(20)

35. The Board was provided with an update on the current position in the sectors Ofcom regulates. The Covid-19 Market Updates had been provided on a monthly basis during the ongoing pandemic and the update in Board Paper 46(20) included a focus on how different countries had reacted to the Covid-19 crisis.

36. The Board discussed the update and noted that the July update would focus on financial resilience in our sectors.

37. The Board **NOTED** the update provided orally and in Board Paper 46(20).

Content Board: Reappointment of Two Members - Board Paper 47(20)

38. As recommended in Board Paper 47(20), the Board **APPROVED** the reappointments of Monisha Shah and Jonathan Baker to the Content Board for further three-year terms until 30 September 2023.

Information Items

39. The Board **NOTED** the following information items without comment.

- Ofcom Tariffs and Fees Approach 2020/21 – Board Paper 48(20);
- Monthly Finance Report – Board Paper 49(20);
- Board Work Programme/Forward Agendas – Board Paper 50(20); and
- Minutes of the Advisory Committee for England (12 March 2020); Advisory Committee for Ireland (10 March 2020); Advisory Committee for Scotland (27 February 2020); Advisory Committee for Wales (11 March 2020); Communications Consumer Panel/ACOD (23 April 2020); Risk and Audit Committee (11 May 2020); and Content Board (19 May 2020).

Chief Executive Objectives 2020/21 and Board Effectiveness Review Outcomes – Board Paper 51(20)

40. The Board **REVIEWED** and **APPROVED** the Chief Executive’s objectives set out in Annex 1 to Board Paper 51(20) for the Appraisal Year 2020/21. The Board **NOTED** that the Chief Executive’s objectives took into account the Priorities for Change identified by Board Members in the March 2020 Board Effectiveness Review for both the Chief Executive in her first year in role and for the Board.

Any Other Business

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

Date of the Next Meeting

42. The next scheduled Board meeting will be held on Wednesday, 15 July 2020.