

**MINUTES OF THE TWO HUNDRED AND THIRTY-NINTH MEETING OF
THE OFCOM BOARD HELD ON 11 APRIL 2017**

Present

Patricia Hodgson	Chairman* (to minute 14)
Sheila Noakes	Deputy Chairman*
Sharon White	Chief Executive
Ben Verwaayen	Member
Lynne Brindley	Member
Graham Mather	Member
Nick Pollard	Member** (not minute 13)
Jonathan Oxley	Executive Member and Group Director, Competition
Steve Unger	Executive Member and Group Director, Strategy, International, Technology and Economists

*Sheila Noakes chaired items 14-20.

**Nick Pollard recused himself during discussion of the potential 21st Century Fox/Sky News public interest test. Information Paper 42(17) was not provided to Nick Pollard.

In attendance

Kevin Bakhurst	Group Director, Content and Media Standards (minute 13)
Polly Weitzman	General Counsel (minute 13 only – attended by telephone)
Steve Gettings	Corporation Secretary
Jenny Leyland	Assistant Secretary to the Corporation

Other Ofcom Colleagues

Board assessment of Ofcom’s performance – informal meeting held on 14 March 2017

1. The Board had met in informal session on 14 March 2017 to review Ofcom’s performance in 2016-17. Much had been achieved in the year but there was more still to do. Action points arising had included the need to improve the methods used for performance measurement and assessing outcomes. This would include being explicit in setting indicators of success, preferably on a three year rolling cycle to reflect the fact that some responses in the sector could only be assessed over time. The Board would want to consider the outcomes from the move to agile working and the transformational change programme (Strength to Strength), looking particularly at productivity gains and colleagues’ capacity to look outwards. The Chief Executive confirmed that a framework would be developed in the first half of the year to cover all the areas identified in the Board discussion. The aim would be to develop a more explicit written assessment by the executive to inform discussion with the Board, including transparency about where

choices had been made to focus resource in particular areas at the expense of others. Other areas highlighted at the 14 March meeting included the need to focus on internal succession planning for the most senior roles in Ofcom, and a focus on enriching and developing the organisation's leadership and people management, alongside activities to clearly define career progression routes.

2. Linking with the outcomes from the recent Board effectiveness review, the Board had asked the Secretariat to develop a programme which would involve more regular engagement with external stakeholders.

Minutes of the meetings held on 6 and 14 March 2017 matters arising – Board Minutes 237(16) and 238(17)

3. The minutes of the Ofcom Board meetings held on 6 and 14 March 2017 were **APPROVED** for signature as an accurate record. There were no matters arising.

Chairman's Report – oral

4. The Chairman provided her report to the Board which included reference to recent meetings.

5. Non-executive appointments: An update on the recruitment process for a Communications Consumer Panel/ACOD member for Scotland was noted. The Board **APPROVED** the following appointments:

5.1 Janey Walker to serve a further three year term as a member of the Content Board.

5.2 Glyn Mathias to be appointed as Interim Chair of the Advisory Committee for Wales for a period of 12 months to 10 April 2018.

6. The Board noted that work had begun to review/develop the codes of conduct for the non executive members of Ofcom's Boards/Panels/Committees, and to review the content of offer letters of appointment, taking external advice on best practice.

Report from the Deputy Chairman on matters discussed at the Risk and Audit Committee meeting held on 27 March 2017 – oral

7. The Deputy Chairman reported on matters discussed at the Risk and Audit Committee meeting held on 27 March 2017. The Committee had seen an early draft of the Annual Report. A more fully developed draft would be considered at the Committee's next meet on 15 May and would then be circulated to Board Members to give them an opportunity to comment before a final draft was put to the Board for approval at its 13 June 2017 meeting.

Reports from other Non-executive Members – oral

8. Nick Pollard provided an update on the process for recruitment to a number of forthcoming vacancies on the Content Board. He referred to the main issues to be discussed at the next two Content Board meetings. Nick Pollard reported on a recent visit to Made TV's headquarters in Leeds.

9. Graham Mather reported on his recent attendance at a meeting of the Communications Consumer Panel/ACOD and on the key themes which he noted from the meeting. One of these was a concern about a loss of momentum by Ofcom in

promoting the use of subtitling. The Board noted that this was an area where Ofcom should provide renewed focus, coinciding with anticipated inclusion in the Digital Economy Bill of a provision to extend requirements for access services to on-demand players.

10. The Chairman suggested that if Board Members had not already seen it they should read a report published by Ofcom on 15 March 2017 "Access and Inclusion in 2016: Outcomes for Consumers in Vulnerable Circumstances".

Chief Executive's Report – Board Paper 46(17)

11. Sharon White presented her report to the Board and provided an oral update on current issues.

Supplementary Breakdown of 2017/18 Budget – Board Paper 44(17)

12. At the last meeting the Board had given provisional approval to the budget for 2017/18, subject to receiving some supplementary analysis. The analysis requested had been provided in Board Paper 44(17). A number of comments were noted. *[Withheld from published minutes.]*

Project Blue – Board Paper 47(17)/Project Goose - oral

13. The Board received for information a paper on the process and approach to Ofcom's reply to the Secretary of State to report on interest issues arising from the proposed transaction between 21C Fox and Sky, including a summary of the type of submission made in response to Ofcom's call for inputs. It also received an oral explanation from the General Counsel as to the process and approach to Ofcom's assessment under its ongoing duty to remain satisfied as to the fitness and propriety of Fox and Sky as broadcast licensees.

Ofcom and BBC Arrangement Relating to On-line Material – Board Paper 48(17)

14. Consumers who have complained to the BBC about its online material, and who are not satisfied with its response, will be able to obtain an independent view from Ofcom on whether the BBC has observed relevant editorial guidelines. Ofcom is required under the BBC Charter and Agreement to agree an arrangement with the BBC on how this will work. An update provided to the Board orally and in Board Paper 48(17) explained the context of the arrangement, the types of material that will be in and out of remit, and the anticipated next steps. Provisional agreement had been reached with the BBC on the draft agreement set out in Annex 1 to the paper. Ofcom would not legally be able to consider BBC online complaints until the Digital Economy Bill received Royal Assent. Following a brief discussion the Board noted the update.

Ofcom Board Forward Agendas – Board Paper 33(17)

15. The Board reviewed the latest iteration of the Board forward agendas plan, noting that following the outcome of the Board effectiveness review the intention is to build into the forward plan a programme of engagement with external stakeholders. The Plan would also be updated to reflect the new performance reporting cycle. It was suggested that more time might be taken at Board meetings to focus on some of Ofcom's landmark publications, such as Connected Nations.

Risk and Audit Committee: Review of Terms of Reference – Board Paper 49(17)

16. Following a review of the terms of reference of the Risk and Audit Committee a

number of changes were proposed, as set out in Board Paper 49(17). The proposed changes had been reviewed and agreed by the Risk and Audit Committee at the 27 March 2017 meeting. The Board **APPROVED** the proposed changes to the terms of reference.

Information items

17. The following information papers were noted.
- Digital Economy Bill Update – Board Paper 51(17)
 - Management Information Report – Board Paper 52(17).

Minutes from other Boards/Panels/Committees

18. The Board noted the minutes of the following meetings without comment:
- Risk and Audit Committee (12 December 2016)
 - Content Board (24 January 2017)
 - Communications Consumer Panel and ACOD (23 February 2017).

Any Other Business

19. There was none.

Date of the Next Meeting

20. The next Board meeting will be held on Wednesday, 3 May 2017 for discussion of Project Blue and Project Goose.