

**MINUTES OF THE TWO HUNDRED AND THIRTY-SECOND MEETING OF
THE OFCOM BOARD HELD ON 18 OCTOBER 2016**

Present

Patricia Hodgson	Chairman
Sheila Noakes	Deputy Chairman
Sharon White	Chief Executive
Lynne Brindley	Member
Graham Mather	Member
Jonathan Oxley	Executive Member and Group Director, Competition
Steve Unger	Executive Member and Group Director, Strategy, International, Technology and Economists

Apologies

Ben Verwaayen	Member
Bill Emmott	Member

In attendance

Alison Crosland	Group Director, Corporate Services Group (minutes 18)
Lindsey Fussell	Group Director, Consumer (minutes 12-17)
Polly Weitzman	General Counsel
Steve Gettings	Corporation Secretary
Jenny Leyland	Assistant Secretary to the Corporation

Other Ofcom Colleagues

Minutes of the meeting held on 20 September 2016 and matters arising – Board Minutes 231(16)

1. The minutes of the Ofcom Board meeting held on 20 September 2016 were **APPROVED** for signature as an accurate record. There were no matters arising not covered elsewhere on the agenda.

Ofcom Board Strategy Day 4 October 2016 – oral

2. The Deputy Chairman reported on the actions agreed during the Board Strategy Day held on 4 October 2016.

Chairman’s Report - oral

3. The Chairman provided her report to the Board which included reference to a number of recent meetings.

Report from the Chairman of the Nations Committee – oral

4. Lynne Brindley reported on matters discussed at the Nations Committee meeting

held on 27 September 2016.

Report from the Chairman of the Risk and Audit Committee – oral

5. The Deputy Chairman reported on matters discussed at the Risk and Audit Committee meeting held on 17 October 2016.

Reports from other Non-Executive Members – oral

6. Graham Mather reported that he had accepted an invitation to join the Board of the Office of Rail and Road for a five year term with effect from 1 October 2016.

Chief Executive's Report – Board Paper 100(16)

7. Sharon White presented her report to the Board which included an update on her recent visit to Brussels and reference to the consultation on the 2.3/3.4 GHz auction which was likely to be published before the next Board meeting.

Overview of Digital Communications Review (DCR) Board Papers at the October Board – Board Paper 109(16)

8. The Board noted a paper which provided an overview of how the four DCR related items which followed on the agenda fitted with the overall implementation of the DCR strategy.

Update on Proposal for Openreach – Board Paper 101(16) and Board Paper 112(16)

9. The Board discussed the update provided in Board Paper 112(16) and orally on the profitability of BT's regulated activities. BT would be publishing its 2015/2016 Regulatory Financial Statements by the end of October 2016.

10. In July Ofcom published a proposal for legal separation of Openreach for consultation with stakeholders. The consultation closed on 4 October 2016 and a summary of the main points made in consultation responses was included in Board Paper 101(16). Also in July BT notified Ofcom of its intention voluntarily to reorganise Openreach. In its July consultation Ofcom noted that there were several areas in respect of which BT's proposal failed fully to address Ofcom's competition concerns.

11. During discussion the Board noted the gap that remained between BT's and Ofcom's position. The Board confirmed that - subject to a full review of consultation responses and any further discussions with BT – the executive should focus on preparing a formal notification to the European Commission. The Board noted that the notification process did not preclude a future agreement with BT on outstanding issues.

12. *[Withheld from published minutes.]*

Implementing a Step Change in Service Quality – Board Paper 103(16)

13. In the DCR we set out our ambition to achieve a 'step change' in the service quality that Openreach and the wider fixed and mobile sectors provide. Board Paper 103(16) set out proposals relating to Openreach to be put out for consultation in the New Year as part of the Wholesale Line Access Market Review. The Board discussed and was supportive of the proposed approach.

14. For the wider fixed and mobile sectors the plan was to consult on a scheme to

automatically compensate consumers and small business for poor quality of service. The Board considered that such a scheme would be effective in incentivising telecoms companies to improve quality of service and looked forward to seeing the policy proposals in this area early in the New Year.

Consumer Strategy and Approach to Vulnerable Consumers – Board Paper 104(16)

15. The Board was provided with a paper which set out the key market developments which were causing or had caused detriment to consumers, and the priority policy areas underpinning Ofcom's consumer strategy. This included a particular focus on vulnerable consumers and possible policy responses. The Board discussed and was supportive of the approach set out in the paper.

Review of General Conditions – Board Paper 105(16)

16. Subject to comments noted during discussion, the Board **APPROVED** the proposals set out in Board Paper 105(16) for revising the General Conditions relating to consumer protection. The proposals would be put out for consultation.

17. The Board confirmed that the General Condition on must-carry obligations should be retained.

BBC Update – Board Paper 106(16)

18. The Board discussed an update on discussions with Government as they look to finalise the Charter and Agreement, and the continuing programme of work to prepare for taking on new responsibilities for regulation of the BBC.

Board Forward Agendas – Board Paper 95(16)

19. The Board discussed the Board forward plan and comments were noted.

Information items

20. The following information papers were noted.

- Report to the Board from the Communications Consumer Panel (CCP)/Advisory Committee on Older and Disabled People (ACOD) – Board Paper 108(16)
- Digital Economy Bill Update – Board Paper 110(16)
- Pay TV Monitoring Report – Board Paper 111(16)
- Management Information Report – Board Paper 113(16)
- Strategic Risk Register – Board Paper 114(16)

Minutes from other Boards/Panels/Committees

21. The Board noted the minutes of the following meetings without comment:

- Minutes of the Nations Committee (7 June 2016)
- National Advisory Committee for England (15 June 2016)
- National Advisory Committee for Northern Ireland (16 June 2016)
- National Advisory Committee for Wales (29 June 2016)
- Content Board (28 June 2016)
- Communications Consumer Panel (14 July 2016).

Any Other Business

22. There was none.

Date of the Next Meeting

23. The next Board meeting will be held on Tuesday, 15 November 2016.