

**MINUTES OF THE TWO HUNDRED AND THIRTY-SEVENTH MEETING (PART B) OF
THE OFCOM BOARD HELD ON 14 MARCH 2017**

Present

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

*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 (minutes 8 & 12)
Lindsey Fussell	Group Director, Consumer (minute 10)
Polly Weitzman	General Counsel
Steve Gettings	Corporation Secretary
Jenny Leyland	Assistant Secretary to the Corporation

Other Ofcom Colleagues

**Minutes of the meeting held on 22 February 2017 matters arising – Board Minutes
236(17)**

1. The minutes of the Ofcom Board meeting held on 22 February 2017 were **APPROVED** for signature as an accurate record. There were no matters arising.

Chairman’s Report – oral

2. Openreach: The Chairman congratulated colleagues on the considerable work which had led to the point where BT had voluntarily agreed on 10 March 2017 to the legal separation of Openreach.

3. Ofcom Board appointment: The Board welcomed the confirmation that the Secretary of State for Culture, Media and Sport had extended Nick Pollard’s term on the Board for a further 12 months to 13 May 2018.

4. The Chairman provided her report to the Board which included reference to recent meetings and an update on the recruitment process for new non-executive members of the Channel 4 Board.

<p><u>Report from the Chairman of the Content Board – oral</u></p> <p>5. Nick Pollard reported on matters discussed at the Content Board meeting held on 7 March 2017.</p>
<p><u>Report from the Chairman of the Nations Committee – oral</u></p> <p>6. Lynne Brindley reported on matters discussed at the Nations Committee meeting held on 28 February 2017.</p>
<p><u>Chief Executive’s Report – Board Paper 28(17)</u></p> <p>7. Sharon White presented her report to the Board and provided an oral update on current issues.</p>
<p><u>Update on preparation for a possible Public Interest Test: 21st Century Fox/Sky – Board Paper 42(17)</u></p> <p>8. The Board discussed an update on Ofcom’s preparations for any potential public test regarding 21st Century Fox’s proposed acquisition of Sky. In line with guidance published by the Government in 2004, it was anticipated that the Secretary of State would make her decision on whether to issue an intervention notice within 10 working days of the notification.</p>
<p><u>Ofcom Annual Plan 2017/18 – Board Paper 29(17)</u></p> <p>9. The Board welcomed the changes made to the Annual Plan format, commenting that the document read well and was output focussed. Subject to comments noted during discussion and updates to reflect recent developments in relation to Openreach and any 21st Century Fox/Sky public interest test (if confirmed), the Board APPROVED the Annual Plan statement.</p>
<p><u>2017/18 Work Programme, Budget and Resources – Board Paper 30(17)</u></p> <p>10. The Board noted that this year a new combined top-down and bottom-up approach had been adopted to budget setting for the organisation, including the establishment of an Integrated Planning Team, drawing on resource from Finance, Human Resources, Strategy and Policy. The approach would be further developed and the new Team would stay in place and work with the Executive through the coming year, evolving the budgeting and planning approach. The Board welcomed the narrative provided in Board Paper 30(17) but asked for some further detailed information to be provided. Following discussion the Board APPROVED the proposed budget for 2017/18 on a provisional basis, subject to receipt of the further information requested.</p>
<p><u>Consumer Update: Service Quality Report – Board Paper 31(17)</u></p> <p>11. The Board discussed and noted a paper which presented the emerging findings to be presented in the first annual Quality of Service report due to be published in April 2017.</p>
<p><u>BBC Charter Review: Preparedness for BBC Regulation from 3 April 2017 – Board Paper 32(17)</u></p> <p>12. The Board discussed and noted an update on Ofcom’s preparedness for taking on the regulation of the BBC from 3 April 2017.</p>

Ofcom Board Forward Agendas – Board Paper 33(17)

13. The Board commented on the latest iteration of the Board forward agendas plan.

BBC Competition Framework – Board Paper 34(17)

14. The Board noted Board Paper 34(17) which provided a high-level overview of stakeholder responses to the four BBC competition consultations and how we will respond to points raised. The paper also set out the approach to be taken to a forthcoming consultation on how Ofcom will regulate the BBC's trading activities. The Board **AGREED** these papers should go to the Chairman and Deputy Chairman for review, with the Group Director, Content and Media Standards, and the Group Director, Competition to approve the final version for publication.

Broadcasting Code Review Statement – Board Paper 35(17)

15. In December 2016, we consulted on changes to the Broadcasting Code (“the Code”) to reflect our new responsibilities under the Charter and Agreement. The Board was provided with the documents for information and comments prior to consulting. Generally, the stakeholder responses endorsed the approach and only minor amendments were proposed to the Statement, as set out in Board Paper 35(17). The Board **AGREED** the proposed approach to our Statement, with the Chairman and Nick Pollard to review and provide any final comments on the version for publication.

Information items

16. The following information papers were noted.

- Annual Report on the Health and Safety Management Framework – Board Paper 36(17)
- Internal Pay TV Monitoring Report – Board Paper 37(17)
- Ofcom's response to the National Infrastructure Commission – Board Paper 38(17)
- Content Board: Editorial Standards: Summary and review – Board Paper 39(17)
- Management Information Report – Board Paper 40(17)
- Strategic Risk Register – Board Paper 41(17).

Minutes from other Boards/Panels/Committees

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

- Advisory Committee for Scotland (23 November 2016)
- Ofcom Spectrum Advisory Board (24 October.2016)
- Nations Committee (13 December 2016)
- Communications Consumer Panel and ACOD (19 January 2017).

Any Other Business

18. There was none.

Date of the Next Meeting

19. The next Board meeting will be held on Tuesday, 11 April 2017.