

**MINUTES OF THE TWO HUNDRED AND FORTY-SEVENTH MEETING OF  
THE OFCOM BOARD HELD ON 13 DECEMBER 2017**

**Present**

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

**By invitation**

Mike McTighe	Chairman of Openreach (item 20)
Clive Selley	Chief Executive of Openreach (item 20)

**In attendance**

Lindsey Fussell	Group Director, Consumer (minute 11)
Polly Weitzman	General Counsel
Steve Gettings	Corporation Secretary
Jenny Leyland	Assistant Secretary to the Corporation

Other Ofcom Colleagues

<p><b><u>Minutes of the meeting held on 14 November 2017 matters arising – Board Minutes 246(17)</u></b></p> <p>1. The minutes of the Ofcom Board meeting held on 14 November 2017 were <b>APPROVED</b> for signature as an accurate record. There were no matters arising.</p>
<p><b><u>Chairman’s Report – oral</u></b></p> <p>2. The Chairman provided her report to the Board which included reference to several recent meetings, including with the Chairman and Director General of the BBC, the Chief Executive of Virgin Media, the Chair and Chief of the Ombudsman Services, the Secretary of State for Business, Energy and Industrial Strategy and - with other colleagues - the Channel 4 Board.</p> <p>3. <u>Changes to Members’ portfolios</u>: There were none to report.</p>
<p><b><u>Report from the Chairman of the Content Board - oral</u></b></p> <p>4. Nick Pollard reported to the Board on the Content Board meeting held on 12 December 2017. This was the first meeting with new Members Jonathan Baker and Monisha Shah. Policy issues</p>

discussed included local television, and a proposed consultation on the review of the rules for mandatory daytime PIN. In discussion, the Board noted that the Chief Executive should see the consultation document ahead of publication and that any changes to existing arrangements proposed following consultation would require consideration by the Ofcom Board. Reference was made to the work on BBC content and standards regulation, noting that generally the broadcaster first system was working well.

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

5. Sheila Noakes reported on matters discussed at the Risk and Audit Committee held on 4 December 2017, a number of which were on the Board’s agenda for this meeting or would be coming to the Board in January 2018. KMPG had provided reports on two completed reviews - 700 MHz Clearance Programme and PMSE Licensing. Both had resulted in an overall “satisfactory” rating. The EY quarterly report on the 700 MHz Clearance Assurance Programme and management response had not identified any major problems. Updates had been provided on Ofcom’s work on information security management systems with reference to the requirements of ISO/IEC 27001: 2013 and preparations to meet the requirements of the General Data Protection Regulation which would come into effect in May 2018. The Committee had also considered minor changes proposed to the Whistle Blowing policy as a result of the annual review.

**Report from the Chairman of the Nations Committee (meeting held 5 December 2017) – oral**

6. Tim Suter reported on matters discussed by the Nations Committee at the meeting held on 5 December 2017, which had included a presentation from Channel 4, and an update from the Chairman of the Communications Consumer Panel/ACOD. Amongst the policy topics discussed were an update on the 700 MHz award programme and a project to consider out of London production.

**Reports from other Non-Executive Members – Graham Mather’s Report**

7. Graham Mather presented his report on a number of stakeholder interviews he had conducted to draw out their views on Ofcom. He highlighted the key themes which had emerged. The Board thanked Graham for a very useful piece of work which would be further discussed when Ofcom’s incoming Chairman, Lord Burns, was in post in the New Year.

**Chief Executive’s Report – Board Paper 145(17)**

8. Sharon White presented her report and provided an oral update on recent issues, including the possible implications of the proposed Walt Disney acquisition of 21 Century Fox’s assets, including Sky News in the UK. An update on ongoing litigation involving Ofcom was noted.

**Government and Parliamentary Update – oral**

9. The Board was updated on current issues including publication on 27 November 2017 of the Government’s Industrial Strategy, and a conference co-hosted by Sharon White and the Secretary of State for Digital, Culture, Media and Sport on 12 December 2017 on investment in fibre. The Board was also updated on Ofcom’s Brexit work programme.

**Wholesale Local Access Market Review and Quality of Service Statements – Board Paper 146(17)**

10. The Board was updated on plans to publish in March 2018 a set of decisions and remedies relating to the Wholesale Local Access (WLA) market review. These proposed decisions were designed to implement two key objectives of Ofcom’s Digital Communications Review (DCR). The first was to bring about a strategic shift to large-scale investment in full-fibre networks, and the second a step change in service quality targets for Openreach’s network. The Board had reviewed and agreed the proposals in February 2017 and the proposals remained largely unchanged following consultation. The executive were carrying out a read across from the BCMR judgement and were waiting for some further evidence on costs and prices in response to information requests. Subject to that, the Board **AGREED** the final set of decisions as set out in Board Paper 146(17), noting that the statement documents would be approved for publication by the Director, Competition and General Counsel.

**Future of Voice – Board Paper 147(17)**

11. The Board was provided with an update requested at the 17 October 2017 meeting on research findings and other data relating to consumers’ migration to Voice over Internet Protocols and the switch-off of the Public Switched Telephone Network (PSTN). The team anticipated returning to the Board in spring 2018 with an update on discussions with Communications Providers on the proposed solutions that they were developing to provide for emergency resilience.

**Future of Digital Terrestrial Television and Arqiva Update – Board Papers 150(17) and 151(17)**

12. The Board was provided with information papers setting out an analysis of the future of the digital terrestrial television platform and an update on Arqiva following the postponement of its planned initial public offering (IPO). Following discussion, the updates were noted.

**Update on the Three Year Forward Look – Board Paper 152(17)**

13. The Board was provided with an update on the work being done to develop the 2018/19 budget and a forward look for how the budget would evolve in the three years to 2021/22. During discussion the Board welcomed the helpful update and provided a number of comments and requests for further information. The Board would be asked to approve the proposed budget for 2018/19 at the February 2018 meeting.

**2017/18 Annual Report and Accounts: Document Structure and Timetable – Board Paper 153(17)**

14. Ahead of beginning the drafting of the 2017/18 Annual Report and Accounts the Board was presented with the proposed structure of the report and high-level timetable. Following feedback from the Risk and Audit Committee, the executive team would consider the timetable to decide when the first substantive draft would be shared with the Committee, and at what point it would come to the Board.

**Personal and Physical Security Update – Board Paper 154(17)**

15. The Board was provided with an overview of Ofcom’s existing personal and physical security measures and the programme of work that was underway to enhance the arrangements. This followed on from an update provided to the Risk and Audit Committee. Following discussion, the update was noted.

<p><b><u>Review of Ofcom’s Code of Conduct – Board Paper 155(17)</u></b></p> <p>16. The Board discussed proposed revisions to the Content Board Code of Conduct and suggested some amendments. The Board <b>AGREED</b> that the final wording should be approved by the Chairman of the Ofcom Board, the Chairman of the Content Board, and Tim Suter.</p> <p>17. The Board was comfortable with the ‘nest’ of Codes approach described in the paper which reflected the different roles of Boards, Panels and Committees, based on whether they were advisory, decision making or both. The next step would be to develop a Code of Conduct for the Communications Consumer Panel/ACOD and the National Advisory Committees.</p>
<p><b><u>Ofcom Board Code of Conduct – Board Paper 144(17)</u></b></p> <p>18. The Board <b>APPROVED</b> the revised Ofcom Board Code of Conduct, as set out at Annex 1 to Board Paper 144(17).</p>
<p><b><u>Ofcom Board Forward Agendas – Board Paper 156(17)</u></b></p> <p>19. The Board reviewed the latest iteration of the Board forward agendas plan. Some further items to be scheduled had been noted during the meeting.</p>
<p><b><u>Meeting with Openreach Chairman and Chief Executive – Board Paper 156(17)</u></b></p> <p>20. The Chairman and Chief Executive joined the Board to provide an update on Openreach, including progress embedding the new governance model and investment plans.</p>
<p><b><u>Information items</u></b></p> <p>21. The following information papers were noted:</p> <ul style="list-style-type: none"> <li>- Review of Media Ownership Rules – Board Paper 147(17)</li> <li>- Management Information Report – Board Paper 148(17)</li> </ul>
<p><b><u>Minutes from other Boards/Panels/Committees</u></b></p> <p>22. The Board noted the minutes of the following meetings without comment:</p> <ul style="list-style-type: none"> <li>- Communications Consumer Panel/ACOD (19 October 2017)</li> <li>- Ofcom Spectrum Advisory Board (July 2017).</li> </ul>
<p><b><u>Any Other Business</u></b></p> <p>23. This was Patricia Hodgson’s last Board meeting as she would be stepping down as Chairman at the end of the year. The Board recorded warm appreciation for the tremendous contribution she had made, both as Deputy Chairman and Chairman of Ofcom.</p>
<p><b><u>Date of the Next Meeting</u></b></p> <p>24. The next scheduled Board meeting will be held on Tuesday, 16 January 2018.</p>