

Note of the 284th Meeting of the Ofcom Board, held on 23 June 2021

Members were welcomed to the 284th meeting of the Ofcom Board. Martin Ballantyne (General Counsel); Jacqui Gregory (Corporation Secretary) and Jenny Leyland (Assistant Corporation Secretary) attended throughout. Other Ofcom colleagues attended for part of the meeting.

Declaration of Members' Interests – oral

1. There were no new declarations of interest made.

Chair's introduction

2. The Chair welcomed all to the meeting.
3. Board Effectiveness Review 2020/21: Maggie Carver advised of her intention to consider with the Chief Executive and the Corporation Secretary the proposed plan for addressing actions identified in the Board Effectiveness Review 2020/21. She would also seek Members' views on the proposed plan, before making recommendations which were to be presented to the Board at the 15 September 2021 meeting.
4. Interim Chair/Non-Executive Appointments: Maggie Carver reported that she had been asked by the Secretary of State to continue as Interim Chair until a new Chair was appointed and in post, following his decision to run a new recruitment exercise. Given the delay to the appointment of the permanent Chair, Government was minded to proceed with the recruitment exercise for the vacant position on the Ofcom Board. Government was also minded to lift the stipulation that the Channel Four Corporation (C4C) Board non-executive selection process could not go ahead until the new Ofcom Chair was in post, but account would need to be taken that Government had recently announced plans to launch a consultation on the potential privatisation of Channel Four.

Minutes of the meeting held on 26 May 2021 and matters arising

5. The minutes of the Ofcom Board meeting held on 26 May 2021 were approved for signature by the Chair as an accurate record.
6. A summary of progress against action points had been circulated. Status updates against each of the actions were duly noted.

Chief Executive's Report

7. Melanie Dawes presented her report, which covered key developments since the last Board meeting.
8. BT: On 11 June 2021 Altice and BT announced that Altice had acquired a 12.1% stake in BT, making it the largest shareholder. Melanie Dawes updated the Board on matters discussed at her recent meeting with the Altice Chief Executive, and the Board considered the possible implications of this investment.
9. GB News: GB News had launched on 13 June 2021 and Ofcom had since received over 500 complaints. The Board was provided with an oral update.
10. Channel 4 Corporation (C4C): On 22 June 2021 Government had announced a consultation on the future of C4C covering both remit and ownership. The consultation would also review regulation of streaming services such as Netflix, Disney+ and Amazon Prime Video and consider whether new rules around impartiality and accuracy were needed for documentaries and news content on the platforms to “level the playing field” with broadcasters who were regulated by Ofcom. The Board discussed the potential implications for Ofcom if its regulatory remit was extended in this regard.
11. On 22 June 2021, Ofcom had published its response to C4C's Statement of Media Content Policy as part of its Channel 4 annual review process. This highlighted C4C's success in meeting, and in some cases exceeding, their remit in the past year, despite COVID.
12. The Digital Regulation Cooperation Forum (DRCF): The DRCF was gathering momentum and demonstrating a joined-up approach to regulation, with a successful event for Parliamentarians held recently and another event planned for July 2021.
13. Post: Melanie Dawes updated the Board on a recent constructive meeting with the BEIS Minister for Regulation whose brief included Post.
14. Scam Texts and Calls: There had been a significant increase in scam texts and calls over the past year, and a rise in media interest. To tackle this increase the various regulators, industries and enforcement agencies needed to work together, and with Government. Melanie Dawes had written to DCMS Ministers on 10 June 2021 setting out what Ofcom was doing in this area. The Board noted that this was likely to be an expanding work area in the months ahead. In answer to a question from the Board, Lindsey Fussell said that, currently, the issue was less about having the resources to address scams and texts and more about the sophisticated nature of the criminal activity involved. Consideration was being given to the future strategy for addressing scams.
15. The Board **NOTED** the report from the Chief Executive.

Executive Member Updates

16. Network Resilience: Lindsey Fussell referred to a recent significant network outage across the Orange (fixed and mobile) network in France which had meant that for several hours calls to the emergency services could not be completed. Ofcom was working with the communications operators to ensure any relevant lessons for the UK's network resilience were identified and mitigating action taken.
17. Royal Mail: Lindsey Fussell had written to Royal Mail advising that the current emergency period which had applied during the COVID-19 pandemic was expected to conclude at the end of August 2021.
18. BBC: Kevin Bakhurst reported that the BBC Inquiry, led by former BBC Director of Nations and Regions Keven MacQuarrie, into the rehiring of Martin Bashir as its religious affairs correspondent in 2016 had cleared all those involved in his recruitment, whilst also finding some "shortcomings" in the process. The terms of reference for Sir Nicolas Serota's review of the BBC's oversight of editorial practices and procedures had been published on 14 June 2021, and Ofcom had been invited to meet Sir Nicolas Serota and his panel members.
19. White Paper on Broadcasting: Kevin Bakhurst referred to the recent statement made by the Secretary of State announcing plans to publish a Broadcasting White Paper in autumn 2021. In line with the recommendations previously made by Ofcom, the statement made explicit reference to the White Paper including proposals on how to ensure public service broadcasters would be given sufficient prominence on different online platforms to enable viewers to continue to find and access original and high quality British content.
20. Kevin Bakhurst referred to current standards and fairness and privacy cases including several standards cases involving hate speech.
21. The Board **NOTED** the updates presented orally at the meeting.

Reports from Non-Executive Members

22. David Jones referred to the Welsh Government's "Programme for Government 2021-26" which had been published on 17 June 2021.
23. Bob Downes updated the Board on political developments in Scotland including the appointment of new Ministers, and on a recent meeting with MG Alba, the Gaelic language media service. Bob Downes also referred to the recent political developments in Northern Ireland. Recruitment was underway for a new Content Board member for Northern Ireland.
24. The Board **NOTED** the oral reports from Non-Executive Members.

Risk and Audit Committee

25. Angela Dean reported on matters discussed at the meeting of the Risk and Audit Committee held on 9 June 2021. There had been one Internal Report, on “People, OD and Change”. The report had received a substantive assurance rating with minor observations relating to improving documentation. Both Deloitte and the NAO had confirmed clean audit opinions for the internal and external audits respectively. The Committee had reviewed the Strategic Risk Register. The Committee had received an update on Ofcom’s work on cyber security.. The Board noted the oral update provided by Angela Dean.
26. 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. The Board noted that the report would form part of the Annual Report & Accounts for 2020/21.

Ofcom 2020/21 Annual Report and Accounts and section 400 Licence Fees and Penalty Accounts

27. The Board had had an opportunity to comment between meetings on an earlier draft of the Annual Report and Accounts (AR&A) for 2020/21. The Board NOTED that an updated version of the AR&A had been circulated for this meeting, together with a final version of the letter of representation and the final version of the section 400 accounts. Although the report included more content than the 2019/20 report, it was four pages shorter due to sharper drafting. There was some discussion of the target audience for the report. The Board noted that the Annual Report was Ofcom’s key document for accounting for its activities to Parliament. The style of the report also gave a flavour of what Ofcom was like as an organisation, which was helpful for external stakeholders and potential Ofcom employees. The Board noted that the report would be proof-read, and any final changes made ahead of it being finalised for signature. The Board commended those involved on a well designed and clear report. The Board asked to be updated in due course on the statistics for online viewing of the AR&A.
28. The Board approved the AR&A, the letter of representation and the final version of the Section 400 accounts, with final clearance of the AR&A being delegated to the Chief Executive.

Interim Manchester Location Recommendation

29. At the 22 March 2021 meeting the Board had given approval in principle to the establishment of an interim office location in Manchester, primarily to accommodate staff in the target growth areas of online safety and telecoms security, together with staff required to help Ofcom develop its technology, digital and data capability. Since receiving that in principle approval, the executive had conducted an extensive research and evaluation exercise; addressed concerns raised by the Board; considered value-for-money and made a proposal which provided flexibility to reflect the uncertain post-COVID working environment. A short-list of four sites had been identified as potential locations, subject to entering negotiations to secure the best overall outcome. Having four potential sites mitigated against the danger of significant delay should any of the options come off the market.

30. During discussion the Board was provided with further detail on the reasons for choosing Manchester as a location; on the approach to recruitment and relocating staff to ensure that senior decision makers were located in Manchester; and assurance that the fit out timetable, although tight, should be achievable. The recommendation was to agree a 24-month lease. The Board agreed to delegate final lease negotiations for the shortlisted sites to the Chief Operating Officer, in accordance with the existing Financial Approvals Framework.

Strategy Planning Update

31. The Board considered a proposed draft strategic framework for Ofcom's regulatory work across the communications sectors. This was an iterative process and following this initial discussion with the Board there would be further engagement with colleagues across Ofcom. The framework would be used to develop 'sector strategy' papers focusing on the most significant strategic choices for Ofcom's future work. These pieces of work would be drawn together at the Board Strategy Day in October 2021, with consideration being given at that meeting to the implications for Ofcom's three-year business plan. The three-year business plan would then be developed over the subsequent months.
32. Following discussion the Board:
- noted the draft framework for developing Ofcom's strategy, including Ofcom's mission, duties, functions and principles; and
 - agreed that it would be useful to continue to develop this thinking through the summer as a framework for analysing future challenges and strategic choices for Ofcom's work, but with a steer that it should be kept broad and high level.

Future of Public Service Broadcasting – Small Screen: Big Debate

33. The objective of the Small Screen: Big Debate ('SS:BD') programme of work was to ensure that, in a rapidly changing media landscape, audiences would continue to receive the benefits of Public Service Media ('PSM'). The Board reviewed the draft Executive Summary of the Statement which was planned for publication in July 2021.
34. Subject to consideration of the comments noted in discussion the Board delegated approval of the Executive Summary for the final statement on the Future of Public Service Media – Small Screen: Big Debate to Kevin Bakhurst.

Ofcom's First Periodic Review of the BBC: Proposed Approach

35. The Board was provided with an information paper which set out plans for a programme of work reviewing Ofcom's regulation of the BBC, including the first Periodic Review of the BBC (a report to DCMS to support its mid-term Charter review) and plans for evolving the BBC Operating Licence. The programme of work would cover the breadth of Ofcom's BBC responsibilities. Where necessary, it would also look at revising Ofcom's own guidance and processes, as well as making recommendations to Government as part of the Periodic

Review. The intention was to publish a high-level consultation on the programme of work in July 2021 in order to gather initial stakeholder input to the programme. Following discussion the Board noted the update.

Six-Monthly Update on Key Themes and Emerging Lessons from the Content Board's Input to Editorial Standards Work

36. The Board was provided with a six-monthly update on editorial standards themes being considered by the Content Board. The update focussed on four key emerging strategic themes regarding: offence; harm; due impartiality; and diverging approaches to content standards regulation on different platforms.
37. Following discussion, the Board noted the latest update on key themes and emerging lessons from the Content Board's editorial standards work up to 31 March 2021.

Proposed Content Board Reappointments

38. The Board approved recommendations to reappointment Maggie Cunningham and Stephen Nuttall to the Content Board for further three-year terms. Maggie Cunningham's new term would run until 30 September 2024 and Stephen Nuttall's new term would run until 9 December 2024.

Industry Migration to IP Based Voice Services Update

39. The Board was provided with an update on Communication Providers' (CPs) progress on migration to "All IP" and copper retirement and Ofcom's programme of work in this area. During discussion, concern was expressed about a lack of awareness of the switch off of the Public Service Telephone Network (PSTN) which was due to be completed by 2025 and the implications of that. The decision to retire the PSTN and migrate customers to IP had been taken by the UK's telecommunications industry. Openreach and CPs were ultimately responsible for ensuring the transition would run smoothly for their customers and would meet the 2025 deadline. The Government and the wider public sector also had an important role to play to help mobilise Critical National Infrastructure (CNI) customers. The Board was updated on recent engagement with DCMS regarding the role that Government needed to play. The Board requested a further update in autumn 2021.

Telecoms Security Bill Update

40. The Board was provided with an update on the current status of the Telecoms Security Bill and the associated telecoms security framework developed by Government. Following a brief discussion Melanie Dawes proposed and the Board agreed that it would be helpful to have a discussion at the Board before the end of the year on Ofcom's readiness to take on the new responsibilities in relation to telecoms security and the scale and scope of that work.

Information items

41. The Board noted the following information items:

- Monthly Finance Report
- Board Work Programme/Forward Agendas
- Minutes of the Communications Consumer Panel/ACOD (meeting held on 22 April 2021).
- Minutes of the Election Committee (meeting held on 23 April 2021 and two meetings on 4 May 2021)
- Risk and Audit Committee (meeting held on 11 May 2021).

Any other business

42. No additional matters were raised at the meeting.

Date of the next meeting: The next Board meeting will be held on 21 July 2021.

29 June 2021