

**MINUTES OF THE TWO HUNDRED AND THIRTY-SIXTH MEETING OF  
THE OFCOM BOARD HELD ON 22 FEBRUARY 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 from the meeting during the Chief Executive's report on the possible 21<sup>st</sup> Century Fox/Sky News public interest test. Information Paper 22(17) was not provided to him.

**In attendance**

Kevin Bakhurst	Group Director, Content and Media Standards (minutes 6-7)
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 17 January 2017 matters arising – Board Minutes 235(16)**

1. The minutes of the Ofcom Board meeting held on 17 January 2017 were **APPROVED** for signature as an accurate record. There were no matters arising not covered elsewhere on the agenda.

**Chairman's Report - oral**

2. The Chairman provided her report to the Board which included reference to recent meetings/visits.

**Report from the Chairman of the Content Board – oral**

3. Nick Pollard reported on matters discussed at the Content Board meeting held on 17 January 2017. It was noted that the Ofcom Board would find it helpful to see for information the paper provided to Content Board meetings which summarises recent editorial standards decisions.

**Reports from other Non-Executive Members – oral**

4. Lynne Brindley reported on the Annual Plan consultation meeting held in Cardiff and Sheila Noakes reported on the equivalent meeting which she had attended in Belfast. Graham Mather reported on a meeting organised by the European Policy Forum with Lord Bridges of Headley and the chairs of the economic regulators.

**Chief Executive’s Report – Board Paper 12(17)**

5. Sharon White presented her report to the Board and provided an oral update on recent events. This included a DCMS proposal to produce a Strategic Policy Statement for Ofcom, which might be enacted by way of a proposed additional clause to the Digital Economy Bill. An oral update was provided on the possible 21<sup>st</sup> Century Fox/Sky News public interest test and on the planned auction of 2.3 and 3.4 GHz spectrum.

**BBC Charter Review: Performance Workstream – Board Paper 13(17)**

6. With reference to Board Paper 13(17), the Board discussed and commented on the proposed approach to establishing the new Performance Framework for the BBC, including the first Operating Licence. *[Withheld from published minutes.]* The Board **ENDORSED** the approach set out in Board Paper 13(17) and **AGREED** that final approval of the Performance Framework should be given by the Group Director for Content and Media Policy, the Chief Executive, the Chairman of the Content Board and the Chairman of the Ofcom.

**The Evolving Relationship between Ofcom Board and Content Board – Board Paper 14(17)**

7. The Board discussed a paper which focussed on the evolving relationship between the Ofcom Board and Content Board in light of Ofcom’s new regulatory responsibilities for the BBC. There was an opportunity to appoint a number of new Content Board members during 2017. The Chairman of the Content Board and the Group Director, Content and Media Standards were currently undertaking a skills audit. The Board commented on the emerging considerations for the role of the Content Board and the skills mix of its members, as set out in Board Paper 14(17).

**Digital Communications Review (DCR): Openreach Implementation Update – Board Paper 16(17)**

8. The Board was updated on the proposals for Openreach reform, following on from the public announcement made in November 2016. This included the potential for a voluntary settlement and continuing work on a draft notification to the European Commission.

**DCR Market Reviews: Wholesale Local Access Market Review: Proposals for Consultation – Board Paper 17(17)**

9. The Board was presented with and **APPROVED** the final set of proposals relating to the Wholesale Local Access Market Review, as set out in Board Paper 17(17). The Board **AGREED** that the final set of consultation documents should be signed off by the Group Director, Competition and by General Counsel.

**DCR: Automatic Compensation for Consumers – Board Paper 18(17)**

10. The Board was presented with and **APPROVED** the proposals set out in Board Paper 18(17) to introduce compensation requirements in the event of quality of service failings of telecommunications providers. The intention was to consult in March 2017 on proposals to introduce automatic compensation for loss of service, delays in provisioning of new services, and missed service appointments for consumers of residential fixed lines (which would also benefit those microbusinesses that purchase residential services).

11. The Board noted that BT, Virgin Media and Sky had put forward a draft industry proposal on automatic compensation covering residential fixed line services. The consultation document would propose the formal regulatory route, but also include discussion of the industry proposal.

**Ofcom Board Forward Agendas – Board Paper 20(17)**

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

**Brexit Project Team Update – Board Paper 23(17)**

13. The Board discussed an update on Ofcom's internal work to develop our internal thinking on priorities for the telecoms and broadcasting sectors as the Government prepares to leave the European Union, and on engagement with DCMS and the Department for Exiting the European Union (DEXEU).

**Quarter 4 Forecast 2016/17 and Update on the 2017/18 Planning Process – Board Paper 19(17)**

14. The Board discussed and noted an update on the year to date financial position, Quarter 4 forecast and on the new approach to developing the Annual Plan and budget for 2017/18. More detailed budget proposals flowing from the new integrated approach to planning would be presented at the March 2017 meeting, when the Board would also be asked to approve the Annual Plan for 2017/18.

**Election and Due Impartiality Rules Statement – Board Paper 21(17)**

15. The Board **APPROVED** the proposed approach set out in Board Paper 21(17) to the Statement following the consultation which had been held on Ofcom's rules on due impartiality, due accuracy, elections and referendums. This would include the removal of the concept of larger parties from Ofcom's election rules (which would affect all broadcasters including the BBC) and changes to the due impartiality and election rules to apply them to the BBC.

**Information items**

16. The following information papers were noted.

- Overview of DCR Board Papers at the February Board – Board Paper 15(17)
- Update on Preparation for a Potential Public Interest Test: 21<sup>st</sup> Century Fox/Sky – Board Paper 22(17)
- Digital Economy Bill Update – Board Paper 24(17)
- Strength to Strength Change Programme: Next Phase – Board Paper 25(17)
- Management Information Report – Board Paper 26(17)
- Strategic Risk Register – Board Paper 27(17).

**Minutes from other Boards/Panels/Committees**

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

- Advisory Committee for England (9 November 2016)
- Advisory Committee for Northern Ireland (10 November 2016)
- Advisory Committee for Wales (16 November 2016)
- Communications Consumer Panel and ACOD (15 December 2016)
- Content Board (6 December 2016).

**Any Other Business**

18. There was none.

**Date of the Next Meeting**

19. The next Board meeting will be held on Tuesday, 14 March 2017.