

**MINUTES OF THE TWO HUNDRED AND FORTY-FIFTH MEETING OF
THE OFCOM BOARD HELD ON 17 OCTOBER 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

Apologies

Ben Verwaayen	Member
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In attendance

Lindsey Fussell	Group Director, Consumer Group (minutes 13- 14)
Philip Marnick	Group Director, Spectrum Group (minute 17)
Polly Weitzman	General Counsel
Steve Gettings	Corporation Secretary
Jenny Leyland	Assistant Secretary to the Corporation

Other Ofcom Colleagues

Introduction

1. The Chairman welcomed Tim Suter to his first Board meeting since his appointment to the Ofcom Board with effect from 2 October 2017.

Minutes of the meeting held on 19 September 2017 matters arising – Board Minutes 244(17)

2. The minutes of the Ofcom Board meeting held on 19 September 2017 were **APPROVED** for signature as an accurate record. There were no matters arising.

3. The Board noted the decision taken between meetings regarding appointments to the Channel Four Corporation (Board Paper 127(17) refers). A letter had been sent to the Secretary of State seeking approval of the recommended appointments.

Chairman’s Report – oral

4. The Chairman provided her report to the Board which included reference to several recent meetings. The Chairman and Chief Executive had appeared before the Commons Digital, Culture, Media and Sport Select Committee on 10 October 2017. The Chairman provided an update on the

<p>ongoing recruitment processes for the Ofcom Board Member for Scotland.</p> <p>5. The Board APPROVED the appointment of Tim Suter as a member of the Content Board and as Chairman of the Nations Committee with immediate effect.</p> <p>6. <u>Changes to Members’ portfolios</u>: There were none to report.</p>
<p><u>Ofcom Board Strategy Day 3 October 2017 – summary note</u></p> <p>7. The Board asked that the summary note of the priorities identified at the Board Strategy Day should be developed to include deliverables, responsibilities and timetable. The revised note should be circulated with the papers for the next meeting.</p>
<p><u>Report from the Chairman of the Risk and Audit Committee (meeting held 16 October 2017) – oral</u></p> <p>8. Sheila Noakes provided her report as Chairman of the Risk and Audit Committee on matters discussed at the meeting held on 16 October 2017. The Committee had agreed that it would be timely to review and refresh the Strategic Risk Register and bring it to the Board for discussion in January 2018. The Committee had agreed that the Board should receive a monthly update on Ofcom’s financial position as part of the Chief Executive’s report. Two internal audit reports had been considered – on Key Financial Controls and on Fraud Risk Maturity Assessment – neither of which had identified any significant issues. The National Audit Office had presented their plan for the external audit for the year 2017/18.</p>
<p><u>Reports from other Non-Executive Members – oral</u></p> <p>9. Graham Mather reported on recent meetings with stakeholders and with the Chairman of the Communications Consumer Panel. Nick Pollard had chaired a session in Cardiff to mark the launch of the Communications Market Review (Wales).</p>
<p><u>Chief Executive’s Report – Board Paper 114(17)</u></p> <p>10. Sharon White presented her report to the Board and provided an oral update on current issues, including the latest position regarding implementation of the legal separation of Openreach from BT; mobile coverage reporting; and the timetable for the Competition and Market Authority’s consideration of the 21C Fox/Sky transaction. Polly Weitzman provided a litigation update.</p>
<p><u>Government and Parliamentary Update – oral</u></p> <p>11. The Board was updated on current issues including BT’s voluntary offer to Government for delivery of the broadband Universal Service Obligation (USO), and a recently published report by the National Infrastructure Commission on the Interim National Infrastructure Assessment.</p>
<p><u>Brexit Project Update – Board Paper 115(17)</u></p> <p>12. The Board was updated on Ofcom’s Brexit work programme.</p>
<p><u>Automatic Compensation – Board Paper 116(17)</u></p> <p>13. In February, the Board agreed plans to consult on an automatic compensation scheme for consumers. Following the consultation, BT, Sky, Virgin Media, Talk Talk and Zen Internet submitted an Industry Automatic Compensation Scheme (“Industry Scheme”) that they have committed to implement by early 2019. Following discussion, the Board AGREED to accept the Industry Scheme. The Board also AGREED the introduction of a General Condition imposing greater transparency</p>

<p>requirements on providers of services to SMEs, and that a final statement setting out these two conclusions reached should be issued. The Board noted that compliance with the Industry Scheme would be monitored after a period of 12 months from its implementation, and if necessary, the case for regulatory intervention would be reviewed.</p>
<p><u>Future of Voice – Board Paper 117(17)</u></p> <p>14. The Board discussed a briefing paper on issues related to the migration of voice services to Voice over IP (VoIP) and the switch-off of traditional Public Switched Telephone Networks (PSTN). The Board continued to attach great importance to the regulatory obligations placed on communications providers to protect “lifeline services” which enable people who are in difficulty to access emergency services. The Board endorsed the commitment given in the final statement on the Strategic Review of Digital Communications (February 2016) that any new technical solutions must deliver a level of protection equivalent to that provided by traditional means. The Board commented that the onus was on the communications providers to deliver the appropriate technical solutions. The team was asked to undertake some further work and to return to the Board with an update in December 2017.</p>
<p>15. <i>[Withheld from published minutes.]</i></p>
<p><u>Arqiva Update – Board Paper 119(17)</u></p> <p>16. The Board discussed an update on the possible sale of Arqiva and on its financial position and prospects.</p>
<p><u>Postal Monitoring Report and Update on Financial Sustainability – Board Paper 120(17)</u></p> <p>17. The Board discussed an update on developments in the postal sector.</p>
<p><u>Ofcom Board Forward Agendas – Board Paper 108(17)</u></p> <p>18. The Board reviewed and commented on the latest iteration of the Board forward agendas plan.</p>
<p><u>Information items</u></p> <p>19. The following information papers were noted:</p> <ul style="list-style-type: none"> - Annual Meeting with the Chairmen of the National Advisory Committees – Board Paper 122(17) - Management Information Report – Board Paper 124(17) - Strategic Risk Register – Board Paper 125(17) - Interim Pay TV Monitoring Report – Board Paper 128(17).
<p><u>Minutes from other Boards/Panels/Committees</u></p> <p>20. The Board noted the minutes of the following meetings without comment:</p> <ul style="list-style-type: none"> - Communications Consumer Panel/ACOD (13 July 2017) - Content Board (11 July 2017).
<p><u>Any Other Business</u></p> <p>21. There was none.</p>
<p><u>Date of the Next Meeting</u></p> <p>22. The next scheduled Board meeting will be held on Tuesday, 14 November 2017.</p>