

**MINUTES OF THE TWO HUNDRED AND FORTY-FOURTH MEETING OF
THE OFCOM BOARD HELD ON 19 SEPTEMBER 2017
AT THE OFCOM BELFAST OFFICE**

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*
Steve Unger	Executive Member and Group Director, Strategy, International, Technology and Economists
Ben Verwaayen	Member

* Nick Pollard recused himself during discussion of 21st Century Fox/Sky News under the Chief Executive’s report.

In attendance

Kevin Bakhurst	Group Director, Content and Media Standards (minutes 11-16)
Polly Weitzman	General Counsel
Steve Gettings	Corporation Secretary
Jenny Leyland	Assistant Secretary to the Corporation

Other Ofcom Colleagues

<p><u>Reflections on the previous evening’s stakeholder engagement - oral</u></p> <p>1. The Board reviewed the key themes which had emerged from meetings and stakeholder engagement during the Board visit to Belfast. The Board thanked all in the Ofcom Belfast Office for their work on the arrangements for the visit which had been very well orchestrated and managed.</p>
<p><u>Minutes of the meeting held on 18 July 2017 matters arising – Board Minutes 243(17)</u></p> <p>2. The minutes of the Ofcom Board meeting held on 18 July 2017 were APPROVED for signature as an accurate record. At the request of the Chairman, non-executive Board Members in their capacity as members of the Remuneration Committee confirmed that they were content with the decision as recorded in paragraph 13 of the minutes about Content Board fees and time commitment. There were no matters arising.</p> <p>3. The Board noted the decision taken between meetings to approve the appointment of the main contractor for the refurbishment of Riverside House (Board Paper 102(17) refers).</p>

<p><u>Chairman’s Report – oral</u></p> <p>4. The Chairman provided her report to the Board which included reference to several recent meetings. The Chairman provided an update on the ongoing recruitment processes for the Ofcom Board Member for Scotland and for non-executive members of the Channel 4 Corporation Board.</p> <p>5. <u>Changes to Members’ portfolios</u>: There were none to report.</p>
<p><u>Report from the Chairman of the Content Board (meeting held 12 September 2017) – oral - and Board Paper 110(17)</u></p> <p>6. Nick Pollard provided his report as Chairman of the Content Board. Matters discussed at the Content Board meeting held on 12 September 2017 included the review of S4C’s remit, funding and governance; the impact of 700 MHz clearance on local television; a discussion (with the Ofcom Chairman present) of Ofcom’s work over the next two to three years and the contribution the Content Board could make; Ofcom’s “Diversity and Equal Opportunities in Television” Monitoring Report (published on 14 September 2017), the BBC Operating Licence and a presentation by Enders Analysis.</p> <p>7. Nick Pollard updated the Board on the process for recruiting new members of the Content Board. The Board APPROVED the recommendation to appoint two new members, as set out in Board Paper 110(17).</p>
<p><u>Reports from other Non-Executive Members – oral</u></p> <p>8. Graham Mather reported on his recent meetings with the Chief Executive of Vodafone and with the Chairman of the BBC.</p>
<p><u>Chief Executive’s Report – Board Paper 104(17)</u></p> <p>9. Sharon White presented her report to the Board and provided an oral update on current issues, including the 21C Sky/Fox transaction and next steps in relation to the Business Connectivity Market Review following the ruling by the Competition Appeal Tribunal announced on 27 July 2017.</p>
<p><u>Government and Parliamentary Update – oral</u></p> <p>10. The Board was updated on current issues and on the work Ofcom had been doing to review all the legal instruments which govern what Ofcom does, and to advise Government on changes needed to the statutory framework to ensure that Ofcom can continue to operate when the UK leaves the EU.</p>
<p><u>BBC Performance Framework and Operating Licence - Board Paper 105(17)</u></p> <p>11. The team had carried out a full assessment of the issues raised in responses to the BBC Performance consultation. The paper provided to the Board focused on the proposed approach to the major outstanding policy issues relating to the Operating Licence as discussed at Board on 18 July: (i) hours and spend for the nations; (ii) diversity; and (iii) distinctiveness, especially in regard to radio.</p>

12. Following discussion the Board:

- (i) **APPROVED** the proposed approach to these policy issues and a number of small amendments to the Operating Licence, as set out in Board Paper 105(17);
- (ii) **APPROVED** the near final Operating Licence of enforceable regulatory conditions (as attached to Board Paper 105(17));
- (iii) **AGREED** that final sign-off of the Performance Framework for the BBC, including the Operating Licence, would be undertaken by the Chairman of the Board, the Chairman of the Content Board, together with the Chief Executive and the Group Director for Content and Media Policy under their delegated powers.

13. The Board noted that it would be made clear when publishing this first BBC operating licence that the expectation was that it would evolve over time to respond to changes in the market and in audience consumption patterns.

BBC Competition Work Programme – Board Paper 106(17)

14. In July 2017, the Board discussed the Content and Media Policy Group’s workplan and priorities, including the BBC work programme. The Board was provided with more detail on the BBC competition work which was planned or underway and the Board’s input into this. During discussion the Board encouraged the team to aim to shorten the proposed timetable for completing the first of the competition assessments, consistent with a rigorous and proportionate approach.

15. Under the BBC Agreement Ofcom is required to consider within the first two years (by March 2019) whether to undertake a review of BBC Studios. The team was undertaking a fact-finding exercise and scoping options for approaching the work on BBC Studios and considering the appropriate timing. The team would return to the Board with a proposed approach to take in due course.

Wholesale and Retail Narrowband Market Reviews – Board Paper 107(17)

16. Following discussion, the Board **AGREED** the decisions on the Wholesale and Narrowband Market Reviews, as set out in Board Paper 107(17). The Board expressed a strong preference for reaching a voluntary agreement with BT to address Ofcom’s concerns in relation to voice-only consumers.

Ofcom Board Forward Agendas – Board Paper 108(17)

17. The Board reviewed and commented on the latest iteration of the Board forward agendas plan.

Appointments to the Communications Consumer Panel/ACOD and National Advisory Committee for England - Board Paper 109(17)

18. The Board **APPROVED** the proposed appointments to the Communications Consumer Panel/ACOD and Advisory Committee for England, as set out in Board Paper 109(17).

Information items

19. The following information papers were noted:
- Content Board: Editorial Standards: Summary and Review – Board Paper 111(17)
 - Management Information Report – Board Paper 112(17)
 - Colleague Survey Results 2017 – Board Paper 113(17).

Minutes from other Boards/Panels/Committees

20. The Board noted the minutes of the following meetings without comment:
- Ofcom Spectrum Advisory Board (22 May 2017)
 - Advisory Committee for Northern Ireland (22 June 2017)
 - Advisory Committee for Scotland (12 April 2017)
 - Advisory Committee for Wales (5 April 2017)
 - Communications Consumer Panel/ACOD (15 June 2017).

Any Other Business

21. There was none.

Date of the Next Meeting

22. The next scheduled Board meeting will be held on Tuesday, 17 October 2017.