

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

Present

Patricia Hodgson	Chairman
Sheila Noakes	Deputy Chairman
Sharon White	Chief Executive
Lynne Brindley	Member
Graham Mather	Member
Nick Pollard	Member* (not minute 11)
Ben Verwaayen	Member
Steve Unger	Executive Member and Group Director, Strategy, International, Technology and Economists

*Nick Pollard recused himself during discussion of the 21st Century Fox/Sky bid. Board Papers 71(17) and 81(17) were not provided to him.

Apologies

Jonathan Oxley	Executive Member and Group Director, Competition
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In attendance

Kevin Bakhurst	Group Director, Content and Media Standards (minute 11)
Lindsey Fussell	Group Director, Consumer (minute 14)
Philip Marnick	Group Director, Spectrum Group (minute 12-13)
Polly Weitzman	General Counsel
Steve Gettings	Corporation Secretary
Jenny Leyland	Assistant Secretary to the Corporation

Other Ofcom Colleagues

**Minutes of the meetings held on 16 May and 5 June 2017 matters arising – Board
Minutes 240(17) and 241(17)**

1. The minutes of the Ofcom Board meetings held on 16 May and 5 June 2017 were **APPROVED** for signature as an accurate record. There were no matters arising.

Chairman's Report – oral

2. The Chairman provided her report to the Board which included reference to recent engagement with the Chairman of Channel 4 about the recruitment of non-executives to the Channel 4 Board. The Board noted the announcement made on 5 June 2017 that Alex Mahon would succeed David Abraham as Chief Executive of Channel 4 in the autumn.

3. Changes to Members' portfolios: There were none to report.

Report from the Chairman of the Content Board (meeting held 6 June 2017) – oral

4. Nick Pollard reported on matters discussed at the Content Board meeting held on 6 June 2017. This included consideration of the 2017 PSB Annual Research Report, Channel 4's annual Statement of Media Content Policy, and an update on the Audio-Visual Media Services Directive. The Board noted that the Election Committee had not been required to meet during the recent General Election period. The Board was updated on the recruitment process for non-executive members of the Content Board.

Reports from other Non-executive Members – oral

5. Graham Mather updated the Board on the stakeholder interviews that he was undertaking to gather views on Ofcom's performance and relationships with stakeholders.

Chief Executive's Report – Board Paper 82(17)

6. Sharon White presented her report to the Board and provided an oral update on current issues.

Post General Election Debrief – oral

7. The Board was briefed on possible implications for issues relevant to Ofcom following the General Election held on 8 June 2017 which had resulted in a hung Parliament. The Board asked for monthly reports to be scheduled on Board agendas from Ofcom's Government and Regulatory Affairs team.

Risk and Audit Committee Annual Report – Board Paper 69(17) and Oral Report to the Board on the Risk and Audit Committee Meeting held on 5 June 2017

8. Sheila Noakes presented the Risk and Audit Committee's (R&AC) Annual Report for 2016/17. The report covered the work the Committee had done during the year. It was also presented in connection with the Board's consideration of the Annual Report and Accounts 2016/17 and the Section 400 Financial Statements. The R&AC's recommendation to the Board and to the Accounting Officer was that they should approve the Annual Report and Accounts and the Section 400 Financial Statements and sign the Letter of Representation to the National Audit Office.

9. Sheila Noakes provided an oral report on matters discussed at the R&AC meeting held on 5 June 2017 (except for consideration of the Annual Report and Accounts 2016/17 which was the next agenda item). The Committee had reviewed the Strategic Risk Register which was on the Board's agenda as an information paper (Board Paper 78(17)).

Ofcom Annual Report and Accounts and Section 400 Accounts 2016/2017 – Board Paper 70(17)

10. The Board was updated on two amendments made to the text of the Annual Report since Board Paper 70(17) was circulated. The Board **APPROVED** the Ofcom Annual Report and Accounts for 2016/17 and the Section 400 Financial Statements. The Board noted the Letter of Representation to the Comptroller and Auditor General, which would be signed by the Accounting Officer and Chairman. The Letter included a declaration that the Chairman and Chief Executive were making an assessment that Ofcom is a going concern and will continue to be in operation throughout the next year. The Board **ENDORSED** the view set out in Annex D to Board Paper 70(17) that Ofcom

should be considered a going concern. The Chairman thanked the Deputy Chairman in particular for her work on the Annual Report, and congratulated colleagues in the team on their achievements in improving the readability of the document. The Board noted that a lessons learned exercise would be undertaken on the process for producing the Annual Report.

21C Fox/Sky Bid – Board Papers 71(17) and 81(17)

11. The Board discussed information papers updating it on the public interest test and the fit and proper assessment. The Board was supportive of the executive's approach to the fit and proper assessment. The Board was also supportive of the executive's assessment of the public interest issues for report to the Secretary of State. The Board commented on the need to be clear in drafting the final documents about Ofcom's role (including that in the case of fit and proper it is ongoing), and the evidence based approach taken.

2.3/3.4 GHz Auction: Policy Decisions and Operational Readiness – Board Paper 72(17)

12. The Board was updated on and discussed the competition measures Ofcom intends to apply in the forthcoming auction of mobile spectrum in the 2.3 and 3.4 GHz spectrum bands. The Board was also updated on plans to release additional spectrum in the medium term. The Board noted an update on the operational readiness to conduct the auction of the 2.3 and 3.4 GHz spectrum bands.

Mobile Coverage Policy Options – Board Paper 73(17)

13. The Board was updated on a programme of work looking at policy options for improving and extending mobile coverage. A second area of focus was on seeking to ensure that the information consumers have about coverage is accurate. Research had been undertaken to determine the mobile signal levels needed to deliver a good consumer experience. This work suggested that higher signal levels were needed than assumed by the mobile operators' coverage map, with the conclusion that currently operator coverage maps are misleading consumers. Next steps included a letter to be sent to each of the mobile network operators encouraging them to reach a common view on how mobile coverage is measured and communicated in a way that reflects consumers' experience. During discussion the Board noted it had been a very helpful paper, bringing together the possible options to be considered. The team would return to the Board in the autumn with recommendations on options.

Further Update on Triple Play Switching and Non-Process Barriers to Consumer Engagement Projects – Board Paper 74(17)

14. The Board was provided with further information on the revised analysis of the proportionality of gaining provider led reforms for Triple Play switching. A short document would be issued to communicate next steps. The Board was also updated on a new project which had been scoped to address barriers to consumer engagement outside the switching process. A Call for Inputs would be published on the same day as the Triple Play document. The Board was supportive of the new approach set out in the paper, seeking to ensure consumers can engage with and obtain the best offers available. A comment was noted that information remedies would not be sufficient to enable some consumers to engage. Alongside seeking to encourage consumer behavioural change Ofcom will also need to have regard to specific consumer protections, such as addressing the difficulties caused by staggered contractual periods

for the individual services they purchase.

Openreach Implementation Update – Board Paper 77(17)

15. The Board noted the update provided orally and in Board Paper 77(17) on the implementation of the new arrangements for Openreach and the proposed approach to monitoring compliance. The Board commented that the onus should be on Openreach to demonstrate that it is complying with the detailed commitments. The key elements for determining whether the new arrangements are successful would be Openreach's commercial behaviours and responsiveness to customers and the outcomes in terms of quality of service and investment. A statement to be issued in June/July should make clear the competition concern that Ofcom identified, the journey to date, and in looking forward set out the goals to be achieved for the new arrangements to be judged a success. The Board asked to see the key elements of the statement for information ahead of publication.

Ofcom Board Forward Agendas – Board Paper 75(17)

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

Appointments to the Communications Consumer Panel/ACOD, Advisory Committee for England and Advisory Committee for Wales – Board Paper 76(17)

17. The Board **APPROVED** the proposed recommendation to be made to the Department for Culture, Media and Sport to re-appoint two members to the CCP/ACOD, and the proposed reappointments to the Advisory Committees for England and Wales, as set out in Board Paper 76(17).

Information items

18. The following information papers were noted.

- Strategic Risk Register – Board Paper 78(17)
- Content Board: Editorial Standards: Summary and Review – Board Paper 79(17)
- Management Information Report – Board Paper 80(17).

Minutes from other Boards/Panels/Committees

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

- Ofcom Spectrum Advisory Board (21 February 2017)
- Risk and Audit Committee (27 March 2017)
- Content Board (25 April 2017)
- Communications Consumer Panel/ACOD (23 March 2017)
- Content Board (27 April 2017).

Any Other Business

20. There was none.

Date of the Next Meeting

21. The next scheduled Board meeting will be held on Tuesday, 18 July 2017.