

**MINUTES OF THE TWO HUNDRED AND SEVENTY-FIRST MEETING OF
THE OFCOM BOARD HELD ON 22 APRIL 2020
MEETING HELD VIRTUALLY VIA MICROSOFT TEAMS**

Present

Terry Burns	Chairman
Maggie Carver	Deputy Chair
Kevin Bakhurst	Executive Member and Group Director, Content Media Policy
Melanie Dawes	Executive Member and Chief Executive
Angela Dean	Non-Executive Member
Bob Downes	Non-Executive Member
David Jones	Non-Executive Member
Graham Mather	Non-Executive Member
Jonathan Oxley	Executive Member and Group Director
Tim Suter	Non-Executive Member
Ben Verwaayen	Non-Executive Member

In attendance

Lindsey Fussell	Group Director, Consumer and External Relations and Acting Group Director, Corporate Services Group
Polly Weitzman	General Counsel
Jacqui Gregory	Corporation Secretary
Jenny Leyland	Assistant Secretary to the Corporation

Other Ofcom colleagues:

- Vikki Cook (minutes 17-19)
- Siobhan Walsh (minutes 17-19)
- Elaine Heyworth (minutes 23-24)
- Yih-Choung Teh (minutes 25-26)
- Nihal Newman (minute 25)
- Paul Phillips (minute 25)
- Gaicho Rasmussen (minute 25)
- Clive Carter (minutes 26)

Declaration of Members' Interests – oral

1. There were no new declarations of interest raised by Members at the meeting.

Chairman's Introduction – oral

2. Welcome to Kevin Bakhurst and Lindsey Fussell: The Chairman welcomed Kevin Bakhurst to his first Board meeting following his appointment as an Executive Board Member, which was approved by the People Committee on 18 March 2020. The People Committee had also agreed that Lindsey Fussell should be invited to attend Board meetings, and the Chairman also welcomed Lindsey to the meeting.

3. Channel 4: The Secretary of State's approval was awaited for two non-executive director appointments to the Channel 4 Board.
4. Ofcom Board Member for Northern Ireland: A procedural Memorandum of Understanding (MoU) needed to be agreed between the Northern Ireland and UK governments, as well as Ofcom, before the recruitment process for a Member for Northern Ireland could commence. The MoU would set out the recruitment process and expectations regarding the appointment. DCMS had advised of their intention to lead on the drafting of the MoU.

Minutes of the meeting held on 18 March 2020 and matters arising – Board Minutes 270(20) and note of action points

5. The minutes of the Ofcom Board meeting held on 18 March 2020 were **APPROVED** for signature by the Chairman as an accurate record.
6. A summary of progress against action points had been circulated and the status updates against each of the actions were duly **NOTED**.

Chief Executive's Report – Board Paper 23(20)

7. Melanie Dawes updated the Board on key developments since the last Board meeting.
8. Coronavirus Pandemic (COVID-19): The Board was updated on Ofcom's operational response during the coronavirus pandemic, with the majority of Ofcom colleagues working from home. There was some discussion of the impact on capacity and productivity levels, particularly for colleagues juggling home working with caring for young children. Reference was made to the importance of identifying indicators to measure the impact of the crisis on capacity and productivity over time, and the option of learning lessons from other organisations about the approaches they were taking to mitigate an adverse impact on productivity levels. Melanie Dawes confirmed that colleagues remained highly motivated and she considered that the leadership approach which Ofcom management was taking was appropriate and effective. The message to colleagues was that family must come first, and feedback from colleagues was that they were very appreciative of the supportive approach Ofcom had taken. Consideration was being given to how the return to office-based working would be handled once the current restrictions were eased, including engaging with other regulators and organisations to take a consistent approach.
9. The Board was also updated on engagement with stakeholders during the current crisis. On 24 March 2020 Ofcom had published a statement on the regulatory approach during this period, acknowledging the need for stakeholders to prioritise consumers and businesses and explaining that Ofcom's approach would recognise the challenges that stakeholders were facing. The Board was updated on and discussed the impact that the coronavirus pandemic was currently having on the different sectors Ofcom regulates. A discussion would take place later in the meeting on the potential longer-term strategic implications.
10. Cellnex/Arqiva: On the day of the meeting the Competition and Markets Authority had announced that it had cleared the proposed acquisition of Arqiva's telecom infrastructure assets by Cellnex without the need for a Phase II review.
11. Ofcom Plan of Work 2020/21: As discussed at the last meeting, Ofcom's Plan of Work 2020/21 would be published at the end of April 2020. This would be a shorter document than in

previous years, setting out Ofcom's response to COVID-19 and the continued importance of the overall Plan of Work. It would signal the likely delay to some work areas, given the changed context, stakeholder and Ofcom resource constraints, and possible unanticipated developments in the coming months. The intention was to publish a revised Plan of Work in July 2020, setting out more precisely the likely timing for work areas that would be delayed. Timings would be impacted by how long the current lock-down measures continued and when schools reopened.

12. Colleague Survey: The Board was updated on the outcome of the 2020 Colleague Survey and next steps for engagement with colleagues.

13. The Board **NOTED** the report from the Chief Executive.

Report from the Chairman of the Content Board - Oral

14. Tim Suter reported on matters discussed at the Content Board meeting held on 31 March 2020. Discussion had focused largely on the impact of the coronavirus pandemic on the broadcasting sector, and possible implications for the work on the public service broadcasting review. An expedited process had been put in place for the Content Board handling complaints about misinformation being broadcast during the current coronavirus pandemic.

15. The Board **NOTED** the update from the Chairman of the Content Board.

Reports from Non-Executive Board Members – oral

16. The Board **NOTED** oral updates from Bob Downes on recent engagement and current issues in Scotland and Northern Ireland and from David Jones with regard to Wales.

Future of Public Service Broadcasting (PSB): Small Screen, Big Debate – Board Paper 24(20)

17. The Board had previously agreed that the Small Screen: Big Debate ("SS:BD") review of the future of PSB should pose fundamental questions about what PSB should seek to achieve, how it should be delivered and funded, and what regulatory and policy tools might be required to ensure that PSB content would continue to meet audience needs. It was still the intention to address these core questions, but account needed to be taken of the impact of the coronavirus pandemic. Examples referred to during discussion included that audiences might now have a different perception of the role of public service broadcasting than before the coronavirus pandemic impacted on the UK; the adverse impact on advertising revenue had highlighted the fragility of that funding model; there were uncertainties about how and when the production sector would be able to restart productions; and there was uncertainty about the extent to which increased viewing of news and current affairs during the pandemic, including by younger audiences, would drop back over time. A key issue would be to distinguish between the short-term and longer-term impacts of changes as a result of the pandemic.

18. The Board discussed an update on the approach the team was taking to reassessing the workplan and making any necessary changes, taking into account the practical consequences of measures which were currently in place to address the coronavirus pandemic and the ability of stakeholders to engage with the review. Where possible, the approach being taken was to continue with workstreams which were already in place, but the timetable for developing recommendations was likely to shift back by three to six months. Some of the qualitative audience research already undertaken would be updated to see how responses might have changed. A number of round table events had been planned as well as a conference and

consideration was being given to how they could be rescheduled and potentially held virtually. In answer to a question from the Board about when the team might be able to sketch out the underlying emerging hypothesis, reference was made to developing a set of options that would deliver certain principles, rather than setting out specific recommendations. The aim was to issue a consultation before the end of the year.

19. The Board **NOTED** the update provided orally at the meeting and in Board Paper 24(20). A request was **NOTED** by the team for slide 5 in the annex to Board Paper 24(20), showing the top 10 most watched programmes by channel in the seven days to 1 April 2020, to be broken down to show figures for each of the nations as well as UK-wide.

Annual Litigation Review – Board Paper 25(20)

20. Board Paper 25(20) provided the Board with the annual review of litigation. The review covered nine pieces of litigation which included a number of significant “wins” establishing important precedent. Polly Weitzman provided an oral update on the letter before claim received from Telefonica and the potential delay to the auction of the 700 MHz and 3.6-3.8 GHz spectrum if this litigation went ahead. The Board was briefed on the local TV challenge on EPG prominence.

21. The Board **NOTED** the update provided orally and in Board Paper 25(20).

Board and Board Committee Effectiveness Review 2019/20 – Board Paper 26(20)

22. Reports on the outcomes from the externally facilitated Board / Board Committee effectiveness review 2019/20 were provided in the annexes to Board Paper 26(20). The performance of the Board was seen by all respondents to have improved since the last review. The top priorities identified for the Board and for the new Chief Executive over the next 12 months were summarised in paragraph 3.6 of the cover paper. The Board was content with the outcomes, noting that these were, in the main, recognised areas, with actions already in train in some areas. The Board **NOTED** that the Chairman would discuss proposed actions with the Chief Executive and Corporation Secretary, with a view to a paper being presented on these to the May or June 2020 Board meeting.

Strategic Risk Register – Board Paper 27(20)

23. A specific strategic risk register had been created focusing on the risks Ofcom had identified in light of the current coronavirus pandemic, COVID-19. These included business delivery, stakeholder and operational risks. The COVID-19 strategic risk register was underpinned by more detailed working level risk registers. It was anticipated that over time some of the risks would diminish whilst others would transfer into the main risk register as matters to monitor going forward. The COVID-19 strategic risk register gave risk ratings as judged by the risk owner, pre-mitigating action. The Board was updated on the areas of risk that were considered to give most cause for concern post mitigating action being taken. Much of the detail had been discussed under other items at the Board meeting.

24. The Board **NOTED** the COVID-19 strategic risk register, as set out in Board Paper 27(20).

Network Security and Resilience Update: Telecoms Security Requirements and High-Risk Vendors – Board Paper 28(20)

25. Board Paper 28(20) provided an update on the telecoms security framework being developed by DCMS and the National Cyber Security Centre (NCSC) and the Government’s timetable for finalising its policy positions. Ofcom had been working with DCMS and the NCSC to ensure that the legislative framework would be workable, and risks managed. Following discussion, the Board **ENDORSED** the approach which was being taken to the critical policy issues, as described in Board Paper 28(20) and in an oral update.

COVID-19: Potential Strategic Implications – Board Paper 29(20)

26. Board Paper 29(20) considered the impact of the COVID-19 crisis on the communications sector, covering both the short-term implications and the long-term implications that might arise once the crisis had passed. The Board welcomed the way that the modelling had been undertaken and presented which would be the basis for further discussion at the Board in the coming months. The Board’s discussion focussed on the possible long-term consequences, as identified in the annex to Board Paper 29(20), with issues raised including the role of regulation online; future consolidation in the market; implications for competition including the UK versus European dimension; drivers for investment and innovation; the role of digital services; how the online world would develop; how elements of what was considered abnormal in a crisis situation could over time become the “new normal”; resilience through decentralisation and diversity; and how what had been identified in the paper as short-term implications would transition to longer term.

27. The Board **NOTED** the potential strategic implications of the COVID-19 crisis, as described in Board Paper 29(20) and reported orally at the meeting.

Information Items

28. The Board **NOTED** the following information items without comment.

- Monthly Finance Report – Board Paper 30(20);
- Board Work Programme/Forward Agendas – Board Paper 31(20); and
- Minutes of the Communications Consumer Panel/ACOD (meeting held on 13 February 2020) and Content Board (meetings held on 25 February 2020 and 31 March 2020).

Any Other Business

29. There were no additional matters raised at the meeting.

Date of the Next Meeting

30. The next scheduled Board meeting will be held on Tuesday, 12 May 2020.