

Minutes of the 73rd meeting of the Advisory Committee for England held via Teams on 24 September 2020

Present

Paula Carter	Chair
Aaqil Ahmed	Member
Matthew Littleford	Member
Alan Nunn	Member
Mark Smith	Member (from minutes 14 onwards)
Emma Davison	Member

In attendance

Tim Suter	Ofcom Board Member for England (minutes 1 - 28)
Richard Spencer	Consumer Panel Member for England
Emma McFadyen	Director, England
David Edwards	Governance and Accountability Team
Marcus Ryder (minutes 25 – 28)	
Other Ofcom colleagues	

Introduction 1. The Chair welcomed Members and attendees to the 73 rd meeting of the Committee, all taking part remotely via Microsoft Teams.
Declaration of Members' Interests – Oral 2. No interests were declared by Members or attendees.
Minutes of the meeting held on 11 June 2020 and matters arising – Minutes 72(20) 3. The minutes of the meeting held on 11 June 2020 were APPROVED for signature by the Chair as an accurate record.
Members open session - oral 4. The Chair reported her correspondence with an independent producer, the first of 90+ signatories to a letter to the BBC raising concerns about planned cuts to the BBC's <i>Inside Out</i> series and to BBC regional programming. The Chair had been copied in on the letter, had discussed these matters with Ofcom, had replied on behalf of the Committee and had confirmed that Ofcom was assessing the impact of the BBC's proposed changes. Ofcom had agreed to keep the Committee informed of developments.

5. The Chair reported that she had written recently to eight metropolitan city mayors (Greater Manchester, Sheffield City, Liverpool City Region, North of Tyne Combined Authority, West of England, Tees Valley, Cambridgeshire & Peterborough and West Midlands) and had proposed a separate virtual discussion with each of them, to identify the communications issues affecting their regions and thereby improve the quality of the advice the Committee provided to Ofcom. The Chair had already spoken with the North of Tyne Mayor and issues discussed had included the importance of local media to a functioning democracy; broadband, full fibre and public investment; parcel services; and issues of diversity. She expected to speak to the West of England Mayor in the following week.

6. Continuing the theme of regional programming, a Member highlighted recent media reports about plans by Bauer Media to replace dozens of its regional radio stations by a single national outlet. Another Member commented that small religious stations came under pressure by such plans, two having closed recently. The Chair reported that possible loss of BBC regional programming had also been raised by the North of Tyne Authority Mayor. It was noted that Bauer Media NI had been invited for a discussion at the September meeting of Ofcom's Advisory Committee for Northern Ireland. In agenda planning, consideration could be given to inviting Bauer Media to talk to the England Committee. In addition, the Chair would raise the topic of regional programming in her dialogue with the Chairs of Ofcom's other National Advisory Committees.

7. Members noted that *Broadcast* magazine had published an interview with Ben Frow, Director of Programmes at Channel 5. The interview included brief allusion to downward pressure on cost per hour in relation to the independent TV production sector. A Member expressed concern that this could be significant for the viability of some indies (already impacted by covid-19). There was brief discussion about financial support for arts and culture, including the Government's Culture Recovery Fund, announced recently and to help weather the storm of coronavirus. TV and radio did not appear to be covered by the Fund although there had been some emergency funding provided to community radio stations.

Ofcom Board/Content Board update – oral

8. The Committee noted recent topics discussed by the Ofcom Board and the Content Board.

9. In relation to the Ofcom Board, its focus continued to include the impact of covid-19 on the sectors regulated by Ofcom.

10. With respect to the Content Board, discussions had focused on the ongoing impact of covid-19 on the broadcast sector and on the PSB review, Video Sharing Platforms and the regime for future online harms regulation.

Consumer Panel update – ACE 10(20)

11. Members noted recent Consumer Panel activity and current priorities (minutes of Panel meetings being available on the Panel's website), including work on scams. Shortly

the Panel expected to publish research in this area. In addition, a list of scams-related work being undertaken by Ofcom had been shared with Members. A Member highlighted some technical standards work designed to combat the use of fake Caller IDs.

12. Other Panel interests noted included the positive response by communications providers (CPs) to covid-19, although there was some concern about whether practices modified or introduced in response to the pandemic would be sustained; and broadband and mobile infrastructures, including whether the Government should be investing more. A Member commented that it could be useful to compare data on customer disconnections, ie the current level and what it would have been were it not for the pandemic measures.

13. In addition, the work of the Panel's England hub was noted. Its next meeting would focus on rural connectivity and Committee Members were welcome to attend.

Shared rural network update – ACE 11(20)

14. Members were updated on the Shared Rural Network (SRN), the deal struck between the UK Government and the mobile network operators (MNOs), the ambition being that 95% of the UK landmass would get good mobile coverage by 2025, delivered through up to £1bn public and private investment. The MNOs were each required to provide 88% coverage within 4 years (with a focus on partial not spots) and 90% within 6 years and appropriate licence variations had been signed.

15. It was noted that deployment was underway; that Digital Mobile Spectrum Limited (DMSL) had been established as the SRN entity; and that some challenges remained, these included state aid approval and MNOs had also indicated that restrictions resulting from the covid-19 pandemic were causing some issues. Public reporting on progress would be through Ofcom's annual Connected Nations report.

16. There was discussion of issues including the risk that deployment could be left until the last minute, whilst it being noted that Ofcom would be reporting and that the Government would be appointing an independent assessor to report on MNO activities; pre-announcement of sites and commercial sensitivities, it being suggested by a Member that such information could be shared solely with Ofcom; and state aid, whether this would be delayed and impact on timescales to deliver improved coverage.

Postal users' needs – ACE 12(20)

17. The Committee was briefed on Ofcom's research on postal users' needs, including the approach taken to assess the reasonable needs of users; key findings from both qualitative and quantitative research; the conjoint analysis approach taken and its key findings; and on next steps.

18. With respect to qualitative findings, once it had been explained to research participants, the universal service obligation (USO) was seen as being a part of the national fabric; users were open to modifications to the USO whilst a number of its existing elements were valued. Regarding quantitative findings, there was strong user

support for post deliveries to the door; four in ten agreed that they would feel cut-off from society without being able to send/ receive letters most days, with little variation by age or Nation. It was noted that conjoint analysis was a technique to help better understand what people really valued in products and services and how they made those decisions and preferred scenarios to allow economic modelling. The analysis showed, for example, that users were relatively relaxed about price up to a threshold of £1 for a First Class letter. Ofcom had previously undertaken research on postal users' needs in 2012, the latest findings were not dissimilar, letter volumes had gone down but attitudes maintained.

19. Ofcom expected to publish findings later this year. Members were reminded that any changes to the USO would require legislation and costs and revenues in providing a postal service would be considerations.

Annual Report and Performance Report on the BBC – ACE 13(20)

20. Members were briefed on Ofcom's plans to publish its third Annual Report and Performance Report on the BBC in November 2020 and on the content and context of this year's report.

21. Issues raised by Members included the impact of covid-19 on the production sector and the BBC's role in relation to the production sector in the regions; threats to local news and current affairs content; the importance of cultural diversity and talk-based radio; listener and viewer complaints, how these were handled by the BBC, and stakeholder engagement; young audiences; podcast growth and its impact on radio.

22. In relation to the issue of possible cuts to BBC regional news and current affairs programming, raised earlier in the meeting, Members noted that Ofcom had written to the BBC and was awaiting a response.

NextGenNEDs project – Oral

23. Members were briefed on a joint Communications Consumer Panel/Ofcom project to widen the talent pipeline of non-executive directors appointed in the public sector and specifically to Ofcom Boards and Committees. The initiative would include observing and shadowing opportunities on Committees and Panels; a programme of wider support for participants e.g. advice on preparing strong applications; events with external speakers; and an aspiring chair scheme. The project team was also engaging with other regulators.

24. The Committee's input to the project would be welcomed and any feedback or experience of similar initiatives could be provided outside the meeting. [Note: discussion was curtailed due to time pressure and to welcome an external speaker to the meeting.]

Marcus Ryder presentation and diversity discussion – Oral

25. Marcus Ryder, a leading figure in efforts to increase diversity in the UK media industry, gave a presentation to Members on measuring and regulating diversity in broadcasting, on the challenges in England and the role that Ofcom could play in addressing these issues.

26. He summarised data on the BAME and Black populations of England versus the rest of the UK; spoke about how Ofcom currently measured diversity, based on broadcasters self-reporting employee headcount and on audience perception of on-screen diversity; suggested alternative measurements of diversity (on percentage of salary spend; Directors and NEDs; key production roles; editorial versus non-editorial; BAME-led indies; and “Diverse Content” spend); proposed that there should be pan-industry definitions, eg of “Diverse Content”, “BAME-led Indie” and “Editorial” versus “Non-Editorial Role”; suggested that figures be categorised and presented based on BAME versus disaggregating Black, South Asian and East Asian; indicated the need for a scoping exercise to determine diverse production capability and for targeted training; and asked whether Ofcom needed new powers, to obtain new protected characteristics data, data on third party suppliers (indies), and to require a standardised presentation of data across time and companies. In addition he proposed ring-fenced funding to promote diversity.

27. Issues raised in discussion included diversity definitions, who would determine them and value in shared definitions across other sectors, health being an example; the inadequacy of reliance on goodwill and a cautious and patient approach; the BBC’s role in increasing diversity in broadcasting; measuring intersectionality; and diversity in the other sectors regulated by Ofcom, ie telecoms, spectrum and post.

28. The Chair thanked Marcus Ryder for his presentation, on behalf of the Committee. Colleagues engaged in Ofcom’s work on diversity had been present for this item and indicated a willingness to engage further with Marcus Tyder.

Ofcom diversity work programme and diversity at Ofcom – ACE 14(20)

29. There was discussion and further reflection on some of the issues raised in the previous item and in relation to Ofcom’s powers and duties to promote equality of opportunity in relation to employment in the broadcasting sector. Some parallels to Ofcom’s work on outside London productions were noted, eg production quotas. The BBC’s plans to commit £100m of its content spend on diverse productions and talent were noted also, with the possibility that any BBC definitions related to diversity could become defacto definitions. The Committee recognised that there were challenging issues to resolve, there was a necessity for change, leadership was required and Ofcom was capable of providing it.

30. Discussion turned to diversity and inclusion at Ofcom, as an organisation, and Members were briefed on the strategy to improve this, beginning with data on the current makeup of Ofcom. Concrete steps would be taken to improve diversity at senior and leadership levels; recruitment; geographic diversity; the socio-economic background

of teams; neuro diversity; and representation and understanding of wider society. Ofcom planned to publish its strategy in November.

31. Members noted under-representation in diversity categories and that targets could be required in relation to disability and social mobility. The Committee supported an ambitious approach, with Ofcom as regulator and a role model for the communications sector.

Public Policy update – ACE 15(20)

32. Members had been provided with a paper to update them on key public policy developments since the last meeting.

33. It was noted that a current focus was work on a regime for online harms regulation, with the Government expected to publish its response to the Online Harms White Paper later this year. DCMS intended to introduce a Telecoms Security Bill into Parliament this Autumn, following its Telecoms Supply Chain Review.

34. In relation to consumers, Ofcom was monitoring the way CPs were delivering against their commitments during the current period of the pandemic. It was reported that the Government was speaking to CPs to see what further help they could offer vulnerable consumers on an extended basis.

Future Agendas – Oral

35. It was noted that items for future meetings/discussion were expected to include the annual presentation from Channel 4; PSTN migration; Ofcom's plan of work for 2021/22, Connected Nations; an update on regional programming; and further updates on the SRN and on postal issues.

Information Items

36. Telecoms, Broadcast & Postal Complaints (England) - ACE 16(20): A paper was noted and welcomed.

Any Other Business

37. There was further discussion of the NextGenNEDs project, which Members were keen to support, in particular in relation to bringing on young and diverse talent and possible mentoring. The Chair asked that the Director for England engage further with the project team.

Date of the Next Meeting

38. The next scheduled Committee meeting would be held on 3 December 2020.