

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

**Present**

Terry Burns	Chairman
Maggie Carver	Deputy Chair
Kevin Bakhurst	Executive Member and Group Director, Broadcasting & Online Content
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
Tim Suter	Non-Executive Member
Ben Verwaayen	Non-Executive Member

**In attendance**

Lindsey Fussell	Group Director, Networks & Communications
Martin Ballantyne	Interim General Counsel
Jacqui Gregory	Corporation Secretary
Jenny Leyland	Assistant Corporation Secretary

**Other Ofcom colleagues:**

- Vikki Cook (minutes 18-20)
- Siobhan Walsh (minutes 18-21)
- Gwen Morgan (minutes 18-20)
- David Clarkson (minutes 21-22)
- David Matthew (minutes 21-22)
- Yih-Choung Teh (minutes 23-26)
- Kate Davies (minutes 22-26)
- Anil Patel (minutes 25-26)

**Declaration of Members' Interests – oral**

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

**Chair's Introduction – oral**

2. Ofcom Board meetings: The Board **AGREED** that, in light of the COVID-19 pandemic, the 18 November 2020 Board meeting should be held virtually via Microsoft Teams and that the Board's visit to Belfast should be postponed until 2021. Depending on restrictions imposed during the COVID-19 pandemic, it was further **AGREED** that a lunchtime event would be arranged for those Board Members who were able to meet in-person with members of the Senior Management Team at Riverside House within the next few weeks.

**Minutes of the meeting held on 15 July 2020 and Matters Arising – Board Minutes 274(20) and Note of Action Points**

3. The minutes of the Ofcom Board meeting held on 15 July 2020 were **APPROVED** for signature by the Chairman as an accurate record.
4. Channel 4 Corporation Board Appointments: Stewart Purvis's term as News and Current Affairs non-executive director on the Channel 4 Corporation Board was due to come to an end on 31 August 2020. The Board had approved between meetings a written resolution circulated on 7 August 2020 which stated that, if the Secretary of State's approval of Ofcom's proposed appointment to replace Stewart Purvis was not received by 31 August 2020, Stewart Purvis's term of office should be recommended for extension until such time as Secretary of State approval for a new News and Current Affairs non-executive director was received (albeit the extension would not exceed nine months). The Chairman reported that the Secretary of State had subsequently decided not to approve the recommended appointment for the News and Current Affairs non-executive director role on the Channel 4 Corporation Board and, therefore, the recruitment process was to be re-run. The recommendations agreed at the Board meeting on 15 July 2020 for the two reappointments of non-executive directors to the Channel 4 Corporation Board were currently awaiting Secretary of State approval.
5. A summary of progress against action points had been circulated. Status updates against each of the actions were duly **NOTED**.

**Chief Executive's Report – Board Paper 65(20)**

6. Melanie Dawes had emailed Board Members on 2 September 2020 with an update on developments since the 15 July 2020 Board meeting. She highlighted key pieces of work being taken forward in the coming months, two of which were on the agenda for today's meeting, namely the Public Service Broadcasting Review "Small Screen: Big Debate" and the Wholesale Fixed Telecoms Market Review.
7. On-line Harms: DCMS were in the process of finalising the Government's response to the Online Harms White Paper, with publication expected in the next few weeks. The regulations relating to Ofcom's regulation of Video Sharing Platforms (VSPs) were expected to be laid imminently. In response to a question from the Board, Kevin Bakhurst provided a brief update on the progress of preparations for Ofcom taking on responsibility for the regulation of VSPs, including recent appointments to key roles.
8. BBC: Tim Davie had taken up the post of BBC Director General and had begun to set out his thinking on the future direction of the BBC. It was noted that the Board would be considering Ofcom's Annual Report on the BBC and its performance at the next Board meeting taking place on 21 October. Tim Davie had agreed to speak to Ofcom colleagues at an event in October 2020 and it was **AGREED** that Board Members be included in the invitation to that event.
9. At the RTS Digital Convention 2020 held on 3 September 2020, Tim Davie had set out the diversity targets he wanted for the BBC as being a "50-20-12 organisation" (ie, 50 per cent female, 20 per cent from BAME backgrounds and 12 per cent that have disabilities). A comment was noted regarding some external confusion about Ofcom's duties and powers in relation to addressing diversity issues in the broadcasting sector.

10. 700 MHz and 3.6-3.8GHz auction: Plans were being put in place to proceed with the auction, with necessary adaptations being made to procedures for running the auction to ensure it could be conducted safely and securely in the circumstances of the COVID-19 pandemic.

11. Ofcom: The new organisational structure for Ofcom had come into effect on 7 September 2020. An update would be provided to the 1 October 2020 meeting of the People Committee on achieving the new “One Ofcom” vision and on the new organisational design implementation. The latest Government instruction in respect of the COVID-19 pandemic, issued on the day of the Board meeting, was that for the coming months office workers should work from home wherever possible. Where that was not possible, colleagues would be able to use those Ofcom offices that were currently open. It was noted that an issue to be addressed, as part of Ofcom’s location strategy, would be whether or not Ofcom would need to retain the fourth floor at Riverside House to meet future working requirements.

12. Network Security: The Board was updated on the Government’s Telecoms Diversification Taskforce which had been asked to report to the Secretary of State on the diversification of the supply chain and the replacement of Huawei technology in the UK’s 5G networks. Ofcom would have an observer role in relation to the Taskforce and would provide technical advice. A Government consultation was expected, which would seek to determine how long Huawei technology could be retained in non-5G networks.

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

#### **Executive Director Updates – oral**

14. Broadcasting Standards: Kevin Bakhurst provided an update to the Board on recently concluded broadcast standards cases and on high profile current work.

15. The Board **NOTED** the oral report.

#### **Reports from Non-Executive Board Members – oral**

16. Bob Downes provided an update on recent engagements and developments in Scotland and Northern Ireland. David Jones provided his update for Wales. Tim Suter provided an update on the current recruitment process for non-executive members of the Content Board.

17. The Board **NOTED** the oral updates provided by Non-Executive Board Members.

#### **Future of Public Service Broadcasting: “Small Screen – Big Debate” – Board Paper 67(20)**

18. Ofcom has a statutory role to ensure that the UK’s PSB services continue to deliver benefits to audiences. The objective of Ofcom’s Small Screen: Big Debate (‘SS:BD’) programme of work was to ensure that, in a rapidly changing media landscape, audiences would continue to receive the benefits of Public Service Media (‘PSM’) <sup>1</sup> in the future. A range of options for Government to consider were being developed for a consultation planned for December 2020. In introducing this item, Kevin Bakhurst referred to the extensive programme of research and

<sup>1</sup> As we set out last year in Board Paper 67(29) [The Future of Public Service Media](#) given the range of platforms involved, it was becoming more appropriate to describe this content as Public Service Media (‘PSM’) rather than traditional Public Service Broadcasting.

engagement with stakeholders which had been undertaken to develop the evidence base, and he highlighted some of the key emerging themes.

19. The Board discussed the summary of the proposed approach to the consultation, as set out in Annex 1 to Board Paper 67(20), commenting that it was a very well written and thought-provoking paper. Issues discussed included the definition of “universality”; the importance of ensuring plurality of sources, particularly of news and current affairs programming; and the continuing importance of PSB to the UK creative economy including driving production in the nations and regions. The Board asked for more of the financial analysis that had been undertaken to be reflected in the approach to the consultation, including the commercial environment and funding options.

20. The Board **NOTED** the aim to return to the Board at the 18 November 2020 meeting with final proposals for inclusion in the consultation.

#### **Wholesale Fixed Telecoms Market Review – Board Paper 68(20)**

21. The Board was updated on the progress on the Wholesale Fixed Telecoms Market Review and how it interacted with the UK Government’s ambition to roll out high speed broadband to as near to 100 per cent of premises in the UK as possible by 2025. The Board was updated on a number of significant recent developments, as set out in Board Paper 68(20), and on the role of BDUK in allocating the £5bn funding from Government to support the rollout of gigabit-capable broadband in the hardest to reach 20 per cent of the country. The Board discussed current investor sentiment towards BT.

22. The Board **NOTED** the update provided orally and in Board Paper 68(20). The Board would be asked to consider proposals for inclusion in the final statement on the Wholesale Fixed Telecoms Market Review ahead of publication of the statement planned for March 2021.

#### **Ofcom Plan of Work 2020/21: September Refresh – Board Paper 69(20)**

23. The Board was provided with an update on progress delivering the Ofcom Plan of Work 2020/21, ahead of publication of the Plan of Work September Refresh document. The wording in the document for publication at Annex 2 to Board Paper 69(20) would be revised to reflect the recent increase in COVID-19 cases, so no longer “moving towards a more stable environment” as was thought to be the case when the document was circulated.

24. The Board:

- **NOTED** that, at the half-year point, delivering on the Plan of Work was largely as set out to the Board in April, with a few minor updates to be included in the publication. Annex 1 to Board Paper 69(20) set out the changes in full. There were changes to the outputs of five projects.
- **NOTED** that the published mid-year update would explain how Ofcom was largely delivering on the 2020/21 Plan of Work as previously published, whilst remaining sensitive to the needs of consumers and industry during the COVID-19 pandemic. The document would also underline the continued importance of Ofcom’s strategic themes.

- **NOTED** that with ongoing uncertainty and the risk of further lockdown, contingency plans had been put in place to enable a quick response to external changes.

25. The Board **NOTED** the update provided orally and in Board Paper 69(20).

#### **State of the Market Review – Board Paper 70(20)**

26. The Board was provided with an overview of how the communications sectors had evolved since April 2020, when the Board first discussed the likely strategic implications of the COVID-19 pandemic. This provided an indication of the current state of communications markets ahead of the Board Strategy Day on 21 October 2020 which would consider how markets were likely to evolve over the next decade.

27. The Board discussed and **NOTED** the update provided orally and in Board Paper 70(20).

#### **Communications Consumer Panel/ACOD Appointment and Reappointment of Members – Board Paper 71(20)**

28. The Board approved recommendations for appointments as set out in Board Paper 71(20).

#### **Advisory Committee for England Reappointment of Members – Board Paper 72(20)**

29. The Ofcom Board **APPROVED** the reappointments of Alan Nunn and Mark Smith to the Advisory Committee for England (ACE), both for further three-year terms until 31 January 2024.

#### **Information Items**

30. The Board **NOTED** the following information items.

- Outcome of the Stakeholder Review – Board Paper 66(20);
- Strategic Risk Register – Board Paper 73(20);
- Enforcement Tracker – Board Paper 74(20)
- Mid-year Review of the 2020/21 Budget Position – Board Paper 75(20)
- Monthly Finance Report – Board Paper 76(20);
- Board Work Programme/Forward Agendas – Board Paper 77(20); and
- Minutes of the Advisory Committee for England (11 June 2020); Advisory Committee for Northern Ireland (1 June 2020); Advisory Committee for Scotland (9 June 2020); Advisory Committee for Wales (2 June 2020); and Communications Consumer Panel/ACOD (18 June 2020).

31. The Board **NOTED** that there would be an opportunity to discuss the Stakeholder Review outcome (Board Paper 66(20)), the Executive response and proposed actions/next steps at the 9 December 2020 Board meeting. It was suggested that thought be given to feeding back to stakeholders who had participated in the review the actions that Ofcom would be taking in response to issues raised.

32. With reference to the Enforcement Tracker (Board Paper 74(20)) a request was made for information about the number of complaints received and any emerging trends.

**Any Other Business**

33. Corporate Governance Code: The Board noted that the Corporate Governance Code which included the delegated authorities framework would need to be revised to reflect the Ofcom organisational structure which came into effect on 7 September 2020. The Board **AGREED** that in the interim period, pending the Board approving the revised Code, the current delegations should be applied in the most logical way to reflect the new structure.

**Date of the Next Meeting**

34. The next scheduled Board meeting will be held on Wednesday, 21 October 2020.