



## **Note of the 305th Meeting of the Ofcom Board, held on 21 June 2023**

Members were welcomed to the 305th meeting of the Ofcom Board. Martin Ballantyne (General Counsel), Francesca Carter (Head of Governance) and Lauren Crawford (Governance Manager) attended throughout.

### **Declaration of members' interests**

1. No new declarations of interest were raised by members at the meeting.

### **Minutes of the meeting held on 17 May 2023 and matters arising**

2. The minutes of the Ofcom Board meeting held on 17 May 2023 were approved for signature as an accurate record.
3. A summary of progress against action points was noted.

### **Chair's report**

4. The Chair updated the Board on his activities, including his attendance at the Online Safety Bill Committees at the House of Lords.
5. The Chair also reported that the Ofcom Board appointments were still in progress and although there were no outcomes as yet, he had been reassured that a decision would be made. The Chair reported that the shortlisting session for the vacancies at Channel 4 had taken place and that he would be a member of the interview panel. Interviews would be held in July.

### **Chief Executive's report**

6. Melanie Dawes presented her report covering her activities and key developments since the last Board meeting, including the Online Safety Bill, the Movelt data breach, the proposed merger between Vodafone and 3UK, current affairs programming and her visit to the Warrington office.
7. The Board noted the report.

### **Risk and Audit Committee matters**

8. **Report of the Risk and Audit Committee meeting on 6 June 2023**

9. Angela Dean provided a summary of the Risk & Audit Committee held on 6 June 2023. The Committee had received an audit report on Spectrum following the cyber attack at Baldock in early 2022. The outcomes from the audit were positive and there continued to be monitoring of Ofcom networks and devices to ensure security. The Committee had also reviewed the outcomes of the penetration testing that had been undertaken by a third party. The testing identified some vulnerabilities within our processes and systems which would require review and further training for colleagues.
10. **Risk register update**
11. The strategic risk register had been amended with the residual risk score for Risk 7 – People – moving down from 18 to 16. There were also some minor wording changes in relation to Spectrum & Thought Leadership although the scoring remaining unchanged.
12. The risk register would be being refreshed before its next issue with strategic discussions taking place with Group Directors around the new version.
13. The Board approved the risk register and noted the paper.
14. **Risk and Audit Committee annual update**
15. The Board noted the Risk & Audit Committee annual update.
16. **2022/23 Annual Report and Accounts and Section 400 Licence Fees and Penalty accounts**
17. The Board discussed the Annual Report and Accounts for the 2022/23 and acknowledged the work and effort from colleagues across the organisation in producing the document. The Board welcomed the Report, specifically its tone and cohesion. The final NAO report was yet to be received but the work of the NAO had concluded and it was anticipated that the NAO would recommend that the Comptroller and Auditor General certify the 2022/23 financial statements with an unqualified audit opinion.
18. The Board approved the 2022/23 Annual Report and Accounts and Section 400 Accounts and delegated the final clearance of the Annual Report Annual Accounts and Section 400 Accounts to the Chief Executive.

#### **Developments in the fixed telecoms market**

19. The Board discussed a paper on progress on the implementation of Ofcom's strategy to promote commercial investment in fibre networks. The Board discussed take-up rates, particularly for altnets, recognising increasing competition and tougher economic conditions and noted this was an area to monitor.
20. Ofcom had confirmed that it would not prevent Openreach from introducing its new fibre services pricing offer (Equinox 2). The decision was in line with Ofcom's overall fixed telecoms strategy.

21. Ofcom's fifth Openreach monitoring report was due to be published at the end of June. The key message was that the commitments were working well, but it was important that all parties remained vigilant, especially as personnel changed.
22. The Board noted the paper.

#### **Developments in the postal market**

23. The Board discussed a paper on Ofcom's programme of work around post, including the ongoing engagement activity with stakeholders, the current industrial relations position and the role of Ofcom.
24. The Board noted the paper.

#### **Online safety and approach to consultation**

##### **25. Online safety strategy**

26. The Board discussed a paper on the updated strategy for the implementation of the Online Safety Bill and the proposed next steps. The Board noted the strategy had been refined since it had last been considered by the Board and would continue to be refined as Ofcom's powers came into effect.
27. The translation of the strategic aims into outcomes and success measures was considered and it was noted that specific metrics and data sources were still being identified and developed. There would be some challenge identifying the biggest risk areas and considering where trackers would be most useful.
28. The Board considered that it was important to emphasise that while Ofcom was setting the standards, responsibility to ensure safe online environments lay with the providers. This needed to be clear in the communications plan.
29. The Board considered how financial online harm, an increasing risk area, might be managed in the scope of the strategy.
30. The team would return to Board with further information on the plans in the Autumn.

##### **31. Approach to phase one consultation on illegal harms**

32. The Board discussed a paper on the approach to the consultation on 'illegal harms online', one of the three consultations that would underpin the online safety regime. The plan was to publish the consultation as soon as the Online Safety Bill had achieved Royal Assent.
33. The consultation would establish a first iteration of key guidance documents and Codes of Practice ('regulatory products') to support services in understanding and meeting their illegal content duties. A continuous improvement approach would be taken to the regulatory products and the Codes would be reviewed and re-issued as the regime developed.

34. The Board noted that there had been a lot of research and stakeholder engagement to date. Some of the major service providers had already adapted in line with the recommendations provided so far.
35. The Board approved the overall approach to the consultation and noted the paper.

#### **Media Bill update**

36. The Board discussed a paper on the current position of the draft Media Bill. The draft Bill was going through a period of pre-legislative scrutiny which would conclude in early July. The Board discussed provisions in the Bill and implications for Ofcom.
37. The Board noted the paper.

#### **Contract Award**

38. The Board approved (subject to a discussion with Angela Dean and the Group Director for Corporate Services) the award of a contract for the supply of Microsoft Licences and Azure Compute Services. The approximate cost of the 3-year contract was over the threshold for executive decision, therefore requiring Board approval in accordance with the Financial Authorities Framework.

#### **Appointment of the Chair, Advisory Committee for Wales**

39. The Board approved the appointment of Robert Andrews as Chair of the Advisory Committee for Wales.

#### **Content Board reappointments**

40. The Board approved the re-appointments to the Content Board of Dekan Apajee for a two-year term from November 2023; and of Rachel Coldicutt, Peter Horrocks and Kim Shillinglaw for three-year terms from November 2023.

#### **Information items**

41. The Board noted the following information items:
  - Non-executive member updates
  - Enforcement function update
  - Briefing on telecoms market performance and investor sentiment
  - Performance update
  - Ofcom's whistleblowing and grievance policies

- Board work programme and publications schedule
- Minutes of the Communications Consumer Panel (20 April 2023), Content Board (2 May 2023) and Risk and Audit Committee (10 May 2023)

**Any other business**

42. There were no other matters of business raised.

**Date of the next meeting**

43. The next Board meeting would be held on 19 July 2023.

25 July 2023