



## 56th Meeting of the Advisory Committee for Northern Ireland (ACNI)

Tuesday, 9 February 2016

Minutes

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### Present:

Maureen Edmondson	ACNI
Fiona MacMillan	ACNI
Brendan Mulgrew	ACNI
Paul Wilson	ACNI
Fiona Boyle	ACNI (from 09:55)
Sharon O'Connor	ACNI (to 12:45)
Andrew Colman	Content Board / ACNI (from 10:05)
Rick Hill	Communications Consumer Panel
Jonathan Rose	Ofcom
James Stinson	Ofcom
David Burkin	Ofcom

### 1. Welcome, apologies, minutes from last meeting and matters arising

The Chair welcomed all to the meeting. Apologies were received from Graham Howell, who was shortly to retire from his role in Ofcom. The Committee agreed that the Chair would thank him for his services on their behalf.

Non-substantive changes required to the minutes were noted.

The Chair thanked James Stinson for his work in compiling and submitting ACNI's various responses to recent consultations concerning BBC charter renewal.

The minutes were approved and there were no matters arising from them.

### 2. Radio Deregulation (Local Media) update: Neil Stock, Matt Bourne, Vincenzo Rampulla

The team noted it had presented to the Ofcom Board commercial radio content deregulation proposals, which concerned music genres and localness. The latter concerned news, travel/weather etc. and local production. The team anticipated it would be writing to DCMS with Ofcom's proposals very shortly.

The Committee noted that it considered the issue of localness to be very important for radio listeners in Northern Ireland. Also noting that DCMS would publicly consult on any change to the status quo, but could decide to take no action without any consultation, the Committee recommended that Ofcom be proactive in making available in the nations the analysis behind its proposals.

### **3. Post update: Chris Rowsell**

Chris updated the Committee on the review of the regulatory framework for the Royal Mail. He also noted that:

- although consumer detriment caused by surcharging in the parcels market was not part of the review (as delivery of parcels over 2kg does not form part of the USO under the framework), it was a matter that had been highlighted during the review process and which Ofcom was now considering as a separate project; and
- research was required to establish an understanding of the underlying economics behind parcel surcharging.

The Committee asked Ofcom to consider whether the consumer detriment caused by parcel surcharging was an unintended consequence of the current regulatory framework. The Committee also noted that resolution of the matter was likely to fall to a third party, and encouraged Ofcom to identify and alert that party, to ensure consumer detriment caused by parcel surcharging was recognised as a serious issue for Northern Ireland citizens and consumers, and to ensure action was taken to tackle it.

Chris Rowsell acknowledged the need for Ofcom to raise the issue's profile and noted the need to provide evidence that supported an argument for taking action to resolve it.

### **4. Consumer Strategy update: Ian Macrae**

Ian briefed the Committee on Ofcom's strategy for delivering to consumers and citizens, outlining the action plan to improve consumer focus, by:

- tracking consumer outcomes (building and utilising an evidence base);
- putting consumer outcomes at the heart of Ofcom's policy work; and
- ensuring Ofcom is organisationally focussed on consumer outcomes.

The Committee considered Ofcom's approach was good and added that it considered how Ofcom intended to address competition, minimum standards and citizen/consumer protection from bad behaviour to be of particular importance for citizens and consumers. The Committee also noted the importance of engaging with consumer bodies in the nations.

Action: Ian Macrae to detail to members the "known issues" across residential and business markets, to which his paper referred.

### **5. Digital Communications Review: Ed Leighton, Rebecca Taylor**

The team briefed the Committee on the current status of Ofcom's Strategic Review of Digital Communications, with reference to:

- its approach to wide availability of services;
- the model of competition;
- vertical integration;
- quality of service;
- consumer empowerment; and
- deregulation.

The team noted that its conclusions from the review were to be published soon, after which it would commence a range of work programmes to implement or consult on the proposals cited in them.

Concerning the future relationship of BT and Openreach, the Committee considered it would be difficult for Ofcom to argue that any outcome designed to benefit consumers should not apply equally to Northern Ireland.

#### **6. UTV Change of Control Review: Gareth Barr, Jack Genovese, Vincenzo Rampulla**

The team noted the circumstances under which Ofcom (a) *must* and (b) *may* vary a Channel 3 licence, to ensure that a change of control is not prejudicial, also noting that any variation may only be imposed if the proposed new condition would have been satisfied by the Licensee in the 12 months prior to the change of control (“the benchmark period”).

The Committee welcomed the significant and consistent over-delivery of current affairs programming by UTV in the period from 2009 up to the beginning of benchmark period, and noted that this over-delivery referred to the current affairs element of UTV’s overall non-news programming quota, which had not been significantly over-delivered.

The Committee recommended that Ofcom encourage ITV to maintain the established over-delivery of current affairs programming, but it did not consider appropriate a variation to the Channel 3 licence. However, the Committee noted that it did consider any possible future move of the Licensee’s management and editorial control outside Northern Ireland would likely cause detriment to its service.

#### **7. CCP Update: Fiona Lennox; Rick Hill**

The Committee was updated on current issues for the Communications Consumer Panel. Fiona noted that the Panel was holding events in the nations and invited ACNI members to the Northern Ireland event, which would be held at Landmark House at 11:30 on 2 March 2016.

The Committee noted that, as Ofcom was aiming to become more consumer-focussed, the Panel’s output was likely to provide a baseline against which the organisation would be able to assess how effectively it was achieving this.

#### **8. Regulatory & Political Update: Mark Sweeney**

Mark Sweeney gave an update highlighting a number of areas, including a recent report from the British Infrastructure Group (a cross party grouping of MPs) on broadband speeds. The report was critical of BDUK. It was noted that no Northern Ireland MPs were signatories to the report. Mark also highlighted the UK Government’s recently published Counter-Extremism Strategy.

#### **9. ACNI response to Ofcom’s Proposed Annual Plan 2016/17 consultation**

The Committee discussed the proposed Plan and agreed to:

- recommend that there should be a more explicit commitment from Ofcom on how it will ensure parity for Northern Ireland with Scotland and Wales, given those nations were more advanced in securing Ofcom Board representation. The committee considered Ofcom should show a willingness to act, in case a suitable legislative vehicle to bring Northern Ireland into line with the other nations was not forthcoming; and
- welcome Ofcom’s plans to look at parcel surcharging and stress the importance of Ofcom delivering something positive for consumers in this area.

The Committee discussed Ofcom's recent Annual Plan event at Stormont, at which an attendee had noted that telecoms infrastructure in Northern Ireland was to become rateable. Members were concerned that the introduction of such a levy could have unintended consequences, possibly affecting investment and service provision in rural areas.

Action: Jonathan Rose to seek and provide further information to members on the telecoms infrastructure levy being introduced by Land and Property Services.

#### **10. Director's Report: Jonathan Rose**

Jonathan highlighted a number of items from his written report, including:

- a number of cases of television interference from a newly commissioned 4G mast in the Cookstown area; and
- two new subsidised satellite broadband schemes recently launched in Northern Ireland – a superfast broadband pilot scheme in Antrim and Fermanagh and a full-scale scheme aimed at premises across Northern Ireland that cannot currently download at least 2Mbit/s.

Action: James Stinson to contact the Market Intelligence team, to obtain any broadcast viewing and listening figures it holds for Northern Ireland that he can distribute to members.

#### **11. Nations Committee Update: Maureen Edmondson**

Maureen briefed the Committee on items at the recent Nations Committee meeting, highlighting, in particular:

- a discussion concerning the structure and role of the Nations Committee going forward;
- a discussion on the issue of parcel surcharging and how this had a particular impact on Scotland and Northern Ireland; and
- a presentation from Channel 4 on its work in the Nations.

#### **12. AOB**

The Committee discussed potential governance issues raised by the possible roles of National members of the Ofcom Board in relation to the nations' Advisory Committees. On balance, the Committee considered the combined role of Board Member and AC Chair made for better governance.

#### **13. External Presentation: Digital Transformation Service and Programme: Caron Alexander, DFP**

The Director of Digital Services at the Department of Finance and Personnel gave a briefing to the Committee on the Executive's progress in moving more services online, primarily through the Nldirect.gov.uk portal.

**Date of next meeting: 14 April 2016**