

Minutes of the 86th meeting of the Advisory Committee for England, connected meeting at Riverside House and via Teams on 30 November 2023

Present

Paula Carter	Chair
Aaqil Ahmed	Member
Caroline Gardner	Member
Alan Nunn	Member
Mark Smith	Member (via Teams)

In attendance

Dekan Apajee	Content Board Member for England (mins 1 - 19)
Angela Dean	Ofcom Board Member for England
Lina Ding	NextGenNEDs observer (via Teams)
Emma McFadyen	Director, England
Richard Spencer	Consumer Panel Member for England
David Edwards	Committee Secretary
Colleagues from Deloitte	
A colleague from techUK	
Other Ofcom colleagues	

Introduction

1. The Chair welcomed Members and attendees to the 86th meeting of the Committee, held at Ofcom's office in London and via Teams.
2. At the previous meeting Matthew Littleford had informed Members that he was about to take up a Managing Director role at a production company. Due to the demands of that new role he had decided to step down from the Committee. Members were grateful for the contribution Matthew had made to ACE discussions.
3. Since the last meeting, the Chair had a written to Tracy Brabin, the Mayor of West Yorkshire, to elicit her views on communications issues affecting her region.

Declaration of Members' Interests

4. Aaqil Ahmed reported that he was advising Virdee 420 Ltd, the company currently making a Bradford-set BBC TV detective drama series.

Minutes of the meeting held on 5 October 2023 and matters arising – Minutes 85(23).

5. The minutes of the meeting held on 5 October 2023 were **APPROVED** for signature by the Chair as an accurate record. There were no outstanding actions.

Ofcom Board update

6. Angela Dean reported on recent topics considered by the Board (minutes and notes of meetings being available on the Ofcom website). The Board had met twice since the last Committee meeting. The October meeting had been followed immediately by the Board's annual strategy day, a key theme being AI, and the November meeting had

taken place at Ofcom's office in Cardiff (the trip included a visit to ITV Cymru Wales and a stakeholder reception). A successful Ofcom All Colleague Event took place in early November in London.

7. Matters of recent interest to the Board had included guidance to assist service providers in complying with their duties under Part 5 (age assurance) of the Online Safety Act 2023; in-contract price rises in telecoms; Ofcom's international engagement in technical standards; and governmental review and possible growth duties for economic regulators, and a Lords' Industry and Regulators Committee inquiry into the relationship between regulators and the government.

Content Board update

8. Dekan Apajee reported on recent topics considered by the Content Board (minutes being available on the Ofcom website). The Content Board had met once since the last Committee meeting, in the previous week. Matters discussed had included broadcast standards; an update following recent publication of the online harms consultation; the future of TV distribution; and the production sector.

9. Committee Members flagged interest in the costs of production, in the UK and internationally; the resilience of the production sector; and news coverage of the Israel-Gaza conflict. The latter raising issues in terms of the impact on journalists, of trust for audiences, differences in tone and language, and potential use of deep fakes by both sides being possible areas for concern.

Consumer Panel update - ACE 21(23)

10. The Committee noted recent Consumer Panel activity and current priorities (minutes of meetings being available on the Panel's website). The update covered a range of issues, including the future of TV distribution, a risk for those not online but also an opportunity to connect some of those people with broadband; a digital inclusion pilot for social housing in Manchester; Panel research on social tariffs, confirming a need for improved communication of those tariffs (telcos lacking an economic incentive to do so) and suggesting a need to reconsider how they are regulated; network resilience, with health and social care implications, and consumer and provider capability to check the resilience of networks and equipment; and mid-contract price rises. A Committee Member highlighted inefficiency when every operator was required to test kit, even though the same products are used by other operators.

Public Policy update – ACE 22(23)

11. A range of issues were flagged. Members noted that Julia Lopez MP would return shortly from maternity leave to steer the Media Bill through Committee Stage in Parliament and that the Culture Secretary had been reported in the media to be minded to refer to Ofcom¹, on public interest grounds, the offer for Telegraph Media Group from a consortium backed by the UAE.

12. Members were disappointed to learn that mobile network operators had contacted DSIT requesting a delay to the Partial Not Spots compliance deadline – currently 30 June 2024 – of the Shared Rural Network (SRN) programme. The Committee noted this was a matter for Government but stressed the importance of regular SRN

¹ Ofcom has a role under the Enterprise Act 2002 relating to media mergers.

reporting and milestone setting. Members also discussed the provision of local media, its importance for both local news and local democracy.

Future development of the postal USO update – ACE 23(23)

13. Members were updated on Ofcom plans to publish a discussion paper on the future of the USO in January 2024, inviting written responses by April. Face-to-face engagement would take place with stakeholders in London, Edinburgh, Belfast and Cardiff, discussion panels plus other bilateral and multilateral discussions, engagement with Government and parliamentarians.

14. Issues discussed by the Committee included sustainability and possible changes to the reduction in delivery days (although a matter for Government); Royal Mail performance and efficiency, a Member suggesting that comparison with postal services in other countries could be useful; whether USO costs were in excess of what was reasonable; whether it would be possible to maintain a postal 'safety net' around consumers who were elderly or in rural areas; whether there were any learnings from changes in the provision of public phone boxes (another USO); and the importance of maintaining universality.

Channel 4

15. Channel 4 reported on its activity in England and on the wider context in which it was operating. It was noted that in January 2023 the Government had announced its decision not to proceed with privatisation (reforms to Channel 4's publisher/ broadcaster operating model would be implemented via the Media Bill); that its relicensing process was in play with Ofcom; and its annual Statement of Media Content Policy had been published in July.

16. The year had seen Channel 4's highest content spend in the Nations and regions, the Midlands flagged as an example; the emerging indie fund remained important, as was its training and skills programme; October had been its biggest streaming month; and there had been challenges due to wider economic pressures, a commissioning slow-down and the screenwriters and actors disputes in the USA.

17. Issues discussed with Channel 4 included its aspirations in relation to the Media Bill; its strategy for drama; its various operations in Leeds and progress in building a sustainable cluster of talent in Leeds and Bradford, including 4Skills opportunities; and productions made out of London and impact in the English regions (Channel 4 would provide more details offline).

Channel 4 relicensing issues

18. Members were briefed by Ofcom colleagues on the context for setting a new ten-year licence for Channel 4 (market context, legislative context and audience perceptions); Ofcom's approach to setting the licence (taking account of Channel 4 Corporation strategy and seeking to strike a balance to allow it greater flexibility whilst continuing to safeguard investment in distinctive UK content and delivery of the core elements of its linear output); and proposals for the licence (related to news; current affairs; original productions; Nations and regions; schools programming; and independent production).

19. Issues discussed included out of London production and what this meant in practice, i.e. the criteria to be met and the need for a programme maker to have a

substantial base outside London, and how it would be monitored; and with Channel 4 increasingly moving online, matters of performance, measurement and reporting.

Update on Fixed Telecoms – ACE 24(23)

20. The Committee discussed developments in fixed telecoms. These included Ofcom’s strategy to promote commercial investment in gigabit capable networks and how that was working (as of September 2023, 78% of UK premises had access); continuing increases in the availability of those networks (including full-fibre); increasing competition, lower than expected take-up and tougher economic conditions meaning that many companies, particularly in the altnet community, were struggling to achieve their business targets; despite the latter, altnet fibre build was continuing at pace; and Ofcom’s latest thinking on altnet consolidation and failure.

21. Topics raised by Members included the numbers of premises passed and the diversity of gigabit capable networks available to consumers (provided by the main companies but with a significant number also passed by other networks); the number of premises with four or more networks to choose from and whether that raised issues of efficiency; the USO, those without broadband coverage and the point at which intervention would be required, given the lead-time it could take to resolve that; and whether BT had been encouraged to invest in the face of competition.

Deloitte - Digital Consumer Trends survey

22. The Committee was briefed on 2023 Deloitte findings tracking the telecoms and media industries, based on qualitative research and dialogue with companies, the suggestion being that we were entering “the era of enough” and that supply was ahead of demand in the provision of networks, services and devices.

23. It appeared uncertain as to whether, during the next five or even ten years, a new device or service would appear to replicate the success of the smartphone or the tablet or SVOD. Regarding the latter, subscriptions appeared to have peaked and customer churn was an increasing challenge for providers. Broadband speeds appeared to be less relevant to consumers or even a need for them, with commonly used applications, e.g. VOD, multiplayer games and high quality video calls, supported by 5 Mbit/s and a significant number of people being unaware of the speed of their connection.

techUK – ACE 25(23)

24. Members were briefed on techUK² perspectives, an industry view of the telecoms sector, covering the topics of infrastructure deployment, spectrum policy, private networks and telecoms security.

25. Topics raised and discussed by Members included barriers to network deployment (economic and planning rules); certification of equipment by vendors; the Internet of Things, in terms of promise and delivery to date; impacts of Brexit, whilst recognising telecoms has a global market.

² An industry trade body that represents vendors and platforms.

Future agendas

26. There was brief discussion about future meeting agendas and agreement that the next meeting be held at Ofcom's office at Riverside House and at which three new Committee Members were expected to be in attendance (subject to approval by the Ofcom Board in December). The Chair confirmed a preference for themed meetings and suggestions included democracy (the role of communications services in promoting that); disinformation (Members noting that the Online Safety Act 2023 required Ofcom to establish a committee to advise on disinformation and misinformation); and AI. One topic suggested for a 2024 meeting was a deep dive on the future of television. A 2024 agendas planning meeting (to take place via Teams) would be scheduled, for further discussion of these and other topics, for the latter part of January.

Information items

27. Broadcast, Postal and Telecoms data (England) – ACE 26(23): The paper was noted.

Any Other Business

28. This would be the last formal Committee meeting for Alan Nunn and Mark Smith. On behalf of Members, the Chair thanked them warmly for their contributions to the work of the Committee. Their terms of appointment would end on 31 January but both hoped to take part in the 2024 agendas planning meeting (referred to above). There was no other business.

Date of the Next Meeting

29. The next scheduled Committee meeting would be held on 29 February 2024.