

**PUBLICATION MINUTES OF THE THREE HUNDRED AND SEVENTEENTH MEETING OF
THE OFCOM BOARD HELD ON 25 SEPTEMBER 2024
AT RIVERSIDE HOUSE, LONDON SE1 9HA AND VIA MICROSOFT TEAMS**

Present

Michael Grade	Chair
Karen Baxter	Non-Executive Member
Melanie Dawes	Executive Member and Chief Executive
Angela Dean	Non-Executive Member
Bob Downes	Non-Executive Member
Lindsey Fussell	Executive Member and Interim Group Director, Online Safety
Will Harding	Non-Executive Member
Clive Jones	Non-Executive Member
Ben Verwaayen	Non-Executive Member

In attendance

Natalie Black	Group Director, Network and Communications (from November 2024)
Martin Ballantyne	General Counsel
Veronica Branton	Corporation Secretary
Francesca Carter	Head of Governance (via Teams)
Sharon Malley	Governance Manager
David Willis	Group Director, Spectrum (Item 6)
Nina Percival	Director of Spectrum Management and Sector Policy (Item 6)
Cristina Data	Director of Spectrum Management and Sector Policy (Item 6)
Elizabeth Quintana	Head of Satellite Engagement (Item 6)
Mark Bunting	Online Safety Strategy Delivery Director (Item 7) (via Teams)
Andrew Park	Online Safety Strategy Principal (Item 7) (via Teams)
Jon Higham	Online Safety Policy Development Director (Item 7)
Kate Davies	Public Policy Director (Item 7)
Yih-Choung Teh	Group Director, Strategy and Research (Item 8)
Melissa Tatton	Group Director, Corporate (Item 8)
Iqbal Marikkar	Corporate Strategy Director (Item 8)
Jessie Peramal	Finance Director (Item 8)
Yoon Chang	Director, Strategy and Policy (Item 8) (via Teams)
Atif Moghal	Head of Strategic Finance and Funding (Item 8) (via Teams)
James Mackley	Economics Director (Item 9)
Luisa Affuso	GD Economics & Analytics (Item 9)
Sunjit Kamboj	Principal Financial Analyst (Item 9)
Andy Causby	Principal Financial Analyst (Item 9)

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Item 1: Declaration of members' interests	
1. No new interests were declared.	
Item 2: Minutes of the meeting held on 17 July 2024 (316(24)) and matters arising	
2. The minutes of the Ofcom Board meeting held on 17 July 2024 were APPROVED	

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for signature by the Chair as an accurate record, subject to minor corrections.	
3. A summary of progress against action points was NOTED .	
Item 3: Chair's report	
4. The Chair updated the Board on his activities, and noted that Ben Verwaayen's term on the Ofcom Board had been extended to the end of 2025, and that the Government was working on other Board vacancies.	
5. He said he and the CEO had had a positive meeting with Lisa Nandy, the new Secretary of State for Culture, Media and Sport, and had discussed her priorities.	
6. The Board NOTED the report.	
Item 4: Chief Executive's report – Board paper 86(24)	
7. Melanie Dawes presented paper 86(24) on her activities. She said in addition to the meeting with Lisa Nandy she had held constructive meetings with several other ministers. Media and political commentary had focussed on the role played by social media in the recent civil disorder. During August, Ofcom had set out its role on misinformation and disinformation and had written an open letter to the industry reminding them of their forthcoming obligations to have systems and processes in place to tackle illegal content such as illegal hate or incitement to violence. She said Ofcom was liaising with the platforms to establish their response to the disorder in order to inform future work. The report on this was due shortly and its contents would be shared with the Board.	Lindsey Fussell
8. The Board discussed developments in the telecoms market and noted that for now, TalkTalk had been able to secure new investment, Sunil Mittal had acquired a 24% stake in BT from Patrick Drahi and Sky and CityFibre had reached agreement on Sky's use of CityFibre's wholesale network. In addition, the CMA had published its provisional findings on the merger between Three and Vodafone and had indicated that they would consider remedies to address the substantial lessening of competition they had provisionally identified, and that the remedies would be likely to involve Ofcom.	
9. The Board noted that the Sky-CityFibre deal was predicated on reaching 8m homes, which would need to include acquisition as well as new build, and that the market may be improved by some consolidation. It remained to be seen whether the change of BT shareholding would lead to any change of strategy. The forthcoming International Investment Summit should shed some light on the government's view on foreign investments in companies such as BT. The Board discussed the implications for consumers of the changes in the telecoms market, including on fibre rollout and network coverage.	
10. Melanie Dawes said the Channel 5 and Channel 3 licences had been concluded and the Channel 4 licence was scheduled for discussion later in the meeting. The first report to Government on the implementation of the Telecoms Security Act was due to be delivered soon. On Post, Lindsey Fussell had met the relevant minister to discuss the future of Royal Mail and the Government were supportive of the approach that Ofcom had confirmed in public in early September. The Broadcasting team was focused largely on implementing the Media Act and starting the Public Service Media Review. An update on the BBC would come to the next Board meeting and the BBC Charter renewal would begin in 2025.	

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<p>11. Online safety was progressing well with plans for enforcement being prepared. Alongside implementation of the Codes Ofcom would also need to consider the process of keeping them updated. Ofcom needed to stay on top of comms and stakeholder engagement around online safety as the regime bedded in. It would be helpful if officials in the education and health departments were to participate more in the media literacy aspects of online safety.</p> <p>12. Melanie Dawes updated the Board on Ofcom's duties in respect of coroner's inquests including responding to recommendations in several Prevention of Future Deaths reports and receiving the first Schedule 5 notice. The importance of this work was noted, as was the clear process for dealing with these requests, led by the Corporation Secretary.</p> <p>13. The Board NOTED the paper.</p>	
<p>Item 5: Report from the Chair of the Risk and Audit Committee and Strategic Risk Register: change to People & Culture risk level – Board paper 91(24)</p> <p>14. Angela Dean updated the Board on the meeting of the Risk and Audit Committee held on 18 September 2024. She said the Risk and Audit Committee had discussed a proposed change to the level of the People & Culture risk from Medium-High to Medium and was now recommending this change to the Board in light of certain policies and procedures that were now in place. The Committee had been reassured to note the encouraging level of discussion of strategic risk: the executive had considered whether to reduce the risk level further but had concluded that Medium was the appropriate level given the continued uncertainties around recruitment in specialist and technical areas.</p> <p>15. The Board APPROVED the reduction of the People & Culture risk level from Medium-High to Medium.</p> <p>16. Angela Dean said the Committee had reviewed the first draft of the new regulatory Group Level risk registers and had noted they would be moderated by the executive to ensure there was consistency across the groups. The Committee had discussed online safety fees and had noted that the proposals now calculated Qualifying Worldwide Revenue in a way that allowed caps for penalties to be as high as possible. The risks around this approach had been recognised.</p> <p>17. The Committee had discussed an internal audit readiness report on colleague wellbeing, which had received an assurance level of Amber. The Committee had noted that the number of colleagues who were at risk of viewing distressing material was higher than expected and work was in hand on taking a more strategic approach to this to minimise the numbers.</p> <p>18. The Committee had reviewed the internal audit plan for the second half of 24/25 and had approved an audit on Information and Data Management. It had not approved the proposed audit on Online Safety Governance and Effectiveness on the basis that the team would be stretched over the coming period and the audit would not be beneficial at this stage. Discussions were taking place on which of the audits on the reserve list should be brought forward.</p> <p>19. The Board NOTED the update.</p>	
Item 6: Spectrum – Board paper 87(24)	

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<p>20. David Willis presented paper 87(24) on the Space Spectrum programme and a Spectrum Group update. The Board discussed the Ofcom Space strategy and noted the dynamism of the satellite services sector and the potential for competition risks with SpaceX operating 62% of active satellites and only Amazon looking likely to enter the Low Earth Orbit market in the near future. China's plans were unclear at present. The main driver of change in the market currently was SpaceX.</p> <p>21. The overview emphasised how Satellite technology could enable broadband connections for consumers but also supported lunar communications, communications between satellites, broadcast and TV services and significant military applications. Developments in technology meant that higher frequencies were becoming more usable and Ofcom was working on how to make these available to support both satellite terminals and satellite gateways. SpaceX were expanding their gateway sites to meet growing demand. However this growth was becoming spectrum-limited as securing additional sites for gateways took time and could be challenging.</p> <p>22. It was noted that the UK and European regulatory frameworks did not currently have a mechanism for directly managing satellite downlink transmissions. The UK regulatory framework was tied to the management of transmitting radio devices but did not apply to objects outside the territory, including in space. In the absence of such a mechanism, Ofcom was currently using the network licences for satellite terminals to impose licence obligations around ensuring there was appropriate co-ordination of satellite transmissions into the UK. Other jurisdictions, including the US, Canada and Australia, took a more direct approach using market access or mandatory satellite licensing. The Board discussed how the ITU was involved in resolving disputes, and the incentives for good behaviour and generally good compliance for operating satellites among countries, even those that were geopolitical foes, were highlighted.</p> <p>23. The Board discussed 'direct to device' services, which allowed the connection of smartphones to emergency services and text messages in areas with no mobile coverage. Globalstar's mobile satellite service, which had been developed by Apple, was available in all iPhone 14 or later handsets. Another service proposed by several vendors reused existing mobile spectrum bands from space. Ofcom had carried out a Call For Information to better understand the development of these services and was planning to introduce regulatory changes to support their introduction. There remained uncertainty among carriers about how quickly the technology would develop, how popular the services would eventually be and the business case to support them. In countries with large remote areas there could be value in sacrificing a small amount of spectrum for emergency coverage but in the UK, with better geographic coverage, there remained business model and spectrum use concerns particularly as the service was seen as being relatively limited in the short term.</p> <p>24. The Board noted that space services relied on international regulations as they aimed to provide global services and that the pace of innovation meant there were a significant number of agenda items tabled for the World Radiocommunications Conference 2027. There was some international concern around SpaceX acting as a dominant player on satellite services. The current model, which was based on co-operation between players, was not well set-up to deal with disagreements on access or wishes to prevent a foreign signal from entering a country. There was also a concern over equitable access and ensuring space remained available for later developers.</p> <p>25. The Board discussed Ofcom's role as a regulator that promoted competition. Discussions on allocations were taking place at the ITU and forthcoming engagement</p>	

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<p>sessions should enable progress. Ofcom aimed to support the development of new market opportunities through its authorisation processes, in particular its innovation and trials process. Ofcom took a generally country-agnostic approach to regulation but did have a light touch process for removal of operators where necessary.</p> <p>26. The Board noted the proliferation of objects in space and that the management of this sat with the Civil Aviation Authority. An early conversation was underway with the ITU and FCC on crowding but there was no common answer.</p> <p>27. The Board NOTED the paper.</p>	
<p>Item 7: Online Safety update – Board paper 88(24)</p> <p>28. Lindsey Fussell presented paper 88(24) on Ofcom’s online safety roadmap and regulatory approach and the accompanying paper on the Illegal Harms Statement.</p> <p>29. Mark Bunting said the updated online safety roadmap would be published in October. Ofcom’s narrative would emphasise that we were on track to deliver the ambitious timetable set by Parliament, but that the beginning of 2025 would mark a move away from the early policy phase into action from platforms and enforcement from Ofcom. On the policy work, some milestones had shifted back as a result of feedback from consultations and changing Parliamentary timetables.</p> <p>30. Jon Higham said Ofcom’s Illegal Harms Statement was due to be published in December. This would represent significant change towards safety but we would launch further consultation on additional measures in spring. This would include the use of AI to detect fraud and child sexual abuse material.</p> <p>31. The Board discussed the methodology for age verification by platforms and noted the evidence on the effectiveness of products. The increased use of age verification tools would drive improvements in technology and Ofcom would keep under review its confidence level in the effectiveness of the tools. The importance of managing stakeholder expectations in this area was noted.</p> <p>32. The Board noted that it was helpful that the regime in the UK was consistent in principle with the regime in the EU and that this reduced scope for services to argue that the regimes were contradictory and could not both be complied with. The UK’s requirement for Ofcom to write Codes added greater specificity than the DSA but this did not necessarily make the regime more onerous. More information on how services were implementing the EU regime would be received through their UK risk assessments and also through potential legal action in the EU. Ofcom would continue to monitor this.</p> <p>33. The Board discussed the safe harbour provisions in the Illegal Harms Statement, which reflected the provisions of the Online Safety Act whereby providers who took all the Code measures that applied to them would be deemed to be in compliance with their duties. Ofcom’s assessment was that the legislation did not permit Ofcom to introduce a catch-all provision requiring providers to mitigate all the risks they identified in their assessments, and that the Government had been keen that the codes would be clear and specific on what providers would need to do in order to comply. Ofcom did retain the ability to update the codes if needed, and could also influence providers to comply through other means.</p>	

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<p>34. The Board noted that there would be a significant programme of ex-post evaluation to measure the effectiveness of the online safety regime. Ofcom had identified the objectives it sought to achieve and the Economics and Analytics Group was modelling the baseline and metrics for measuring impact. In addition, the effectiveness of the industry's own risk mitigation measures would be assessed.</p> <p>35. The Board noted the difficulties in dealing with end-to-end encryption in the context of the Online Safety Act.</p> <p>36. It was agreed that the letter recently sent to peers on the protection of children would be circulated to the Board.</p> <p>37. The Board NOTED the paper, including the publication of the updated roadmap in October and the Illegal Harms Statement in December.</p>	Kate Davies
<p>Item 8: Three-Year Business Plan – Board paper 89(24)</p> <p>38. Yih-Choung Teh presented paper 89(24) on the Three-Year Business Plan ('3YP') 2025/26 to 2027/28. He said the plan had been developed following analysis of Ofcom's current environment and future drivers as well as a review of outcomes and learning from the current 3YP. The new 3YP was being developed with a full financial plan involving a sizing and phasing of policy programmes and other work, with the current central assumption being a flat cash position for core duties. The key prioritisation choices were set out in each of Ofcom's policy sectors, as were cross-cutting choices.</p> <p>39. The Board discussed the draft 3YP and noted the difficulty of the choices being made in response to financial constraints. It was noted that the paper did not clearly identify the savings that could be made from the lean-out areas though the work had been done to identify these. Further details would be provided to the Chair of the Risk & Audit Committee.</p> <p>40. The Board noted that the tone of the 3YP should set out the positive case for the choices Ofcom was taking and dwell less on difficulties caused by budgetary constraints. It should also set out clearly where efficiency improvements were expected, for example in the use of AI. It was agreed that a note on where Ofcom was currently using AI would be circulated to the Board.</p> <p>41. There was a discussion on the potential for unplanned work, such as in relation to the BBC Charter renewal or greater involvement in legacy network transition, and the need to be able to plan for such contingencies.</p> <p>42. It was noted that it would be helpful for the next paper to focus on material wider risks which could affect delivery of the 3YP. The Board noted that some areas within Ofcom were already stretched and that Spectrum was under-resourced compared to international benchmarks.</p> <p>43. The Board NOTED the paper, including the proposal to bring the updated 3YP 25-28 to the Board for approval in November.</p>	Melissa Tatton
<p>Item 9: Financial resilience in our regulated sectors – Board paper 90(24)</p> <p>44. Luisa Affuso presented paper 90(24) on the financial position of Ofcom's regulated entities. James Mackley said there were some concerns for the sustainability of some</p>	

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<p>stakeholders and that their position was being monitored and fed into policy programmes as necessary.</p> <p>45. The Board noted that in most cases, the financial resilience of stakeholders was not a matter for the regulator and the correct path would be to let the market play out. However, there were some instances where Ofcom should be involved on behalf of consumers which therefore carried some reputational risk and Ofcom should be sure that appropriate steps had been taken.</p> <p>46. The Board noted that Ofcom did not have the power to transfer customers to another provider if their provider ceased trading, unlike in the energy sector, and Ofcom's work would focus on encouraging providers to keep customer contracts active and on ensuring customers were aware of their options. Ofcom had modelled the switching of customers to another network and noted it would be difficult to achieve quickly where large numbers were involved. It was also noted that a sudden cessation of trading of a retail provider could have knock-on consequences for wholesale providers.</p> <p>47. The Board noted that in some circumstances significant numbers of consumers could lose their mobile phone numbers. The position was complex and consumers might expect Ofcom to be able to intervene in a way that was not possible. Contingency work was underway to seek to minimise the number of people who would be affected in such scenarios, and it was noted that it was unlikely to be possible to avoid such disruption entirely.</p> <p>48. The Board noted that in the broadcasting sector, there could be implications for the provision of trusted broadcast news if financial pressures led to a reduction in the number of public service broadcasters, leaving the BBC as the main public service news provider. The importance of carrying out the public service media review and the BBC Charter renewal process in the context of each other, along with the need to ensure the issues raised in the paper flowed through to the relevant policy teams, was noted.</p> <p>49. The Board NOTED the paper, including the including the plan to update the Board again in six months.</p>	
<p>Item 10: Strategic Risk Register: change to People & Culture risk level – Board paper 91(24)</p> <p>50. This item was discussed under Item 5.</p>	
<p>Item 11: Modern Slavery Statement 2024 – Board paper 92(24)</p> <p>51. The Board APPROVED the Modern Slavery Statement 2024.</p>	
<p>Item 12: Channel 4 relicensing – Board paper 93(24)</p> <p>52. The Board discussed the proposed contents and duration of the new Channel 4 licence, focussing on the provisions to raise the quotas for production outside England from 9% to 12% by 2030. Board members representing Northern Ireland, Scotland and Wales said there was likely to be objection to the proposals from the production sector in their nations, with Ofcom facing criticism for not being sufficiently ambitious on the volume and timetable of outside England production. The Board noted the significant concerns and strength of feeling and frustration held by both stakeholders in the Nations, and the Board members representing the Nations.</p>	

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<p>53. The Board noted the need for Channel 4 to improve their engagement in the nations and the potential reputational risk for Ofcom arising from the objections from stakeholders.</p> <p>54. It was agreed that the draft communications on the announcement would be shared with Board members representing the nations, along with any assurances received from Channel 4.</p> <p>55. The Board NOTED the paper on Channel 4 relicensing.</p>	Cristina Nicolotti Squires
<p>Item 13: Update on the DRCF Digital Hub – Board paper 94(24)</p> <p>56. The Board NOTED the paper on the DRCF Digital Hub.</p>	
<p>Item 14: Ofcom’s Three-Year Media Literacy Strategy – Board paper 95(24)</p> <p>57. The Board NOTED the paper on Ofcom’s Three-Year Media Literacy Strategy. It was agreed that the paper would be presented for discussion at a future Board meeting.</p>	Corp Sec
<p>Item 15: Renewal of Ofcom’s co-regulatory arrangements with the Advertising Standards Authority – Board paper 96(24)</p> <p>58. The Board NOTED the paper on Ofcom’s co-regulatory arrangements with the Advertising Standards Authority.</p>	
<p>Items 16-19: Standing items</p> <p>59. The Board NOTED the following information items:</p> <ul style="list-style-type: none"> • Non-executive member updates – Board paper 97(24). • Monthly performance report – Board paper 98(24) • Board work programme – Board paper 99(24), and publications schedule – Board Paper 100(24) • Minutes of the Advisory Committee for Scotland (5 June 2024), Advisory Committee for England (6 June 2024), Advisory Committee for Wales (12 June 2024), Advisory Committee for Northern Ireland (20 June 2024), Communications Consumer Panel (27 June 2024) and Content Board (2 July 2024). 	
<p>Item 19: Any other business</p> <p>60. The Board RATIFIED the decision to withdraw the recommendation of the appointment of Huw Saunders as the Scotland representative on the Communications Consumer Panel (‘CCP’) and that for future appointments to the Content Board, Advisory Committees and CCP former Ofcom executives should be excluded for a period of five years from the end of their Ofcom role.</p>	
<p>Item 20: Date of the next meeting</p> <p>61. The next scheduled Board meeting would be held on Wednesday 16 October 2024.</p>	

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62. The meeting concluded at 13.06 pm.	

Approved: _____
Chair