



Note of the 310th Meeting of the Ofcom Board, held on 13 December 2023

Members were welcomed to the 310th meeting of the Ofcom Board. Martin Ballantyne (General Counsel), Veronica Branton (Corporation Secretary), Francesca Carter (Head of Governance) and Sharon Malley (Governance Manager) attended throughout.

Declaration of members' interests

1. David Jones updated the Board on his new interest.

Minutes of the meeting held on 15 November 2023 and matters arising

2. The minutes of the Ofcom Board meeting held on 15 November 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 activities relating to the public interest intervention notice on the ownership of the Telegraph Media Group and the appointment of the new Chair of the BBC.
5. The Board noted the report.

Chief Executive's report

6. Melanie Dawes updated the Board on her activities and key developments since the last Board meeting, including the publication of consultations on preventing children from viewing pornographic material and on banning in-contract mobile price rises from being inflation-linked. In addition, colleagues continued to work at the World Radio Conference (WRC) and to engage on the newly published Media Bill. Ofcom's annual Connected Nations report was due to be published shortly. Notwithstanding the volume of work, all the milestones had been met and projects were being successfully delivered.
7. The Board noted the previously circulated update on the WRC and that changed geopolitical alignments were becoming clear. There may be resourcing implications for Ofcom in this area and it would be helpful to discuss this at a future meeting.

8. Melanie Dawes said Ofcom had been engaging with DSIT over the implications for telecare services of the PSTN switch-off. This was a complicated and sensitive issue and Ofcom was keeping it under careful review.
9. Melanie Dawes said she and Gill Whitehead had both made visits Washington DC to discuss the UK's approach to online safety regulation. Her impression had been that US legislators were keen to see Ofcom succeed. It remained to be seen whether legislation would pass in the US, but in any event their existing legislative framework was structured so differently that it would not be similar to the UK approach.
10. The Board noted the report.

Report from the Chair of the Risk and Audit Committee

11. Angela Dean updated the Board on the meeting of the Risk and Audit Committee held on 6 December 2023. She said there had been no internal audit reports at the meeting and the NAO was now starting to plan for the 2023/24 annual report and accounts. The Committee had reviewed the Q2 results and reforecast and had noted that the vacancy rate was slowing, which presented some potential financial risk. This would be monitored.
12. The Committee had reviewed physical security and had discussed an incident at Riverside House which had been raised with the landlord. The Committee had also been updated on a matter relating to the security of Ofcom's website.
13. The Committee had received its annual updates on conflicts of interest, whistleblowing, corporate resilience and the corporate governance framework. It had also looked at the strategic risk register, which would be featuring later on the Board agenda.
14. The Chair noted that it would be helpful in due course for the Board to receive a paper on Ofcom's plans for the new online safety fee regime.
15. The Board noted the update.

Strategic Risk Register development

16. The Board discussed a paper on the new approach to Ofcom's Strategic Risk Register, including six new strategic risks and a new risk control effectiveness rating scale. She said the new approach aimed to focus more clearly on the effectiveness of Ofcom's internal controls and was in line with industry best practice.
17. Angela Dean said this had been a significant piece of work and now brought in colleagues from across the organisation. The risk management policy would need to be updated to reflect the new approach; this would usually take place in December but would be delayed this year due to the work on the strategic risk register. More work was also needed on the risk appetite statements.
18. The Board welcomed the new approach to the strategic risk register and discussed the effectiveness scale. It was noted that the register provided for three levels of

effectiveness of controls (ineffective, partially effective, effective) and that including more levels would increase the likelihood of bureaucracy and confusion.

19. The Board noted that while risks did need to be properly described, there was scope to reduce some of the detail as the register was refined. It was noted that the register would now become more useful in daily business planning and that it would be used to feed into decisions on internal audit planning.
20. The Board approved the new strategic risks, excluding the People & Culture risk, which first needed to be considered by the People Committee, the Risk Control Effectiveness rating scale, and the risk governance structure.

Consumer Protection Monitoring and Compliance programme update

21. The Board discussed a paper on Ofcom's telecoms consumer strategy. It was noted that Ofcom had last year adopted a new approach to consumer protection work focussing on monitoring compliance with the consumer protection framework and a dedicated team had been formed to deliver this.
22. The Board questioned whether adequate data was available on customer satisfaction with the processes for switching broadband providers, getting repairs or moving home. The Board discussed take-up of social tariffs and noted that those eligible sometimes had concerns that the products may not be right for them or may be of poor quality. Ofcom had carried out some comms to try to alleviate this concern but there was limited promotion of the products from the providers as there was no financial incentive for them to promote social tariffs.
23. The Board noted that Ofcom tracked the number of people who were disconnected from phone contracts for non-payment. These numbers were small and there had not been any increase in recent years but it was noted that individuals were likely to prioritise phone contract payments given how important these services were.
24. The Board noted the paper.

Update on fixed telecoms markets

25. The Board discussed a paper on Ofcom's fixed telecoms markets strategy. It noted that the coverage of gigabit capable networks was progressing well and gave an update on the financial performance of operators in the sector.
26. The Board discussed the strategy of some altnets to move away from increasing network coverage towards increasing the customer base on existing networks. Their approach to build was leading to high levels of coverage but some fragmentation. The Board noted that there was likely to be consolidation in the altnet market in future.
27. The Board discussed the difficulty of achieving full coverage across the UK and the need to use measures other than fibre to fill some gaps in rural areas. This disproportionately affected nations outside England. It was agreed that this would be picked up with the Ofcom Scotland team and the BDUK Board.

28. The Board noted the paper.

Update on Ofcom's postal work

29. The Board discussed a paper on Ofcom's work on post, the current position of Royal Mail and the progress made by Ofcom since earlier in the year.

30. The Board noted the various models that had been adopted internationally and the approaches that could be taken in the UK to ensure long term sustainability for the postal service. The Board discussed options and noted that the implications for small business customers and economic growth would need to be considered.

31. The Board noted the paper.

Stakeholder response to illegal harms consultation

32. The Board discussed an update on stakeholder reaction to Ofcom's consultations on illegal harms and age assurance for pornography services.

33. The Board noted that Ofcom would shortly be publishing research on how regulated VSPs were protecting children from harmful videos and how they were working to ensure appropriate age verification.

34. The Board noted the importance of maintaining engagement among parliamentarians, including those in devolved administrations. The Board also noted that the work around stakeholder engagement and expectation management was resource intensive and the potential need for additional resources should be monitored by the executive.

Board Evaluation Review proposals for 2023/24

35. The Board discussed a paper on proposals for the 2023/24 Board Evaluation Review. Board members were invited to submit any thoughts on the draft questions to the Corporation Secretary.

36. Subject to the above, the Board approved that the Board & Committee Effectiveness Review for 2023/24 be internally facilitated using a questionnaire distributed to Board members by the Corporation Secretary.

Corporate Governance Framework: 2023 review

37. The Board discussed and approved the Corporate Governance Framework to be effective from 1 January 2024.

Advisory Committee for Northern Ireland: appointment of three new members

38. The Board approved the short-term extension of the term of the current Chair of the Advisory Committee for Northern Ireland, Carrie Matchett, for a period of one year from 1 August 2024 to 31 July 2025 and the appointment of current Advisory Committee

member, Michael Wilson, for a second three-year term running from 1 September 2024 to 31 August 2027.

Advisory Committee for England: appointment of three new members

39. The Board approved the appointments of Mauro Mortali, Grant Davis and Edleen John as members of the Advisory Committee for England, each for a three-year term to run from 1 February 2024 until 31 January 2027.

Communications Consumer Panel and ACOD member: renewal of term

40. The Board approved the proposed recommendation to DSIT of a second, three year term starting 1 April 2024 for Michael Wardlow as a member of the Communications Consumer Panel and the Advisory Committee for Older and Disabled People.

Six-monthly Ofcom enforcement update

41. The Board noted the enforcement update.

Information items

42. The Board noted the following information items:
- Non-executive member updates
 - Quarterly performance update
 - Board work programme and publications schedule
 - Minutes of the Advisory Committee for Wales (4 October 2023) and Communications Consumer Panel (17 October 2023)

Items in the Diligent Board reading room

43. The Board noted the items in the Diligent Board reading room.

Any other business

44. The Chair updated the Board on progress with appointments to the Boards of the Channel 4 Corporation and Ofcom. He noted that DSIT had been granted permission to use a search agency for the Deputy Chair Board vacancy.
45. The Chair noted that this would be the final Board meeting for David Jones and Maggie Carver. The Board recorded its warm and sincere thanks for their work over many years.

Date of the next meeting

46. The next Board meeting would be held on 7 February 2024.