

Minutes of the 83rd meeting of the Advisory Committee for England, connected meeting at Riverside House and via Teams on 2 March 2023

Present

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

In attendance

Angela Dean	Ofcom Board Member for England
Lina Ding	NextGenNEDs observer (via Teams)
Emma McFadyen	Director, England (via Teams)
Monisha Shah	Ofcom Content Board (via Teams) (mins 1-13)
Richard Spencer	Consumer Panel Member for England (via Teams) (mins 1-5 and 21-end)
David Edwards	Committee Secretary
Other Ofcom colleagues	

Introduction 1. The Chair welcomed Members and attendees to the 83rd meeting of the Committee, held at Ofcom's office in London and via Teams. Caroline Gardner, who had been appointed to the Committee, and Lina Ding, having accepted a one year placement as Next Gen NEDs observer, were both attending their first meeting. They both introduced themselves to the Committee, Caroline whose background was in education and media studies and Lina in an investigation and enforcement role with The Pensions Regulator (TPR).
Declaration of Members' Interests 2. No interests were declared by Members or attendees.
Minutes of the meeting held on 1 December 2022 and matters arising – Minutes 82(22). 3. The minutes of the meeting held on 1 December 2022 were APPROVED for signature by the Chair as an accurate record. There were no outstanding actions.
Consumer Panel update – ACE 1(23) 4. The Committee noted recent Consumer Panel activity and current priorities (minutes of meetings being available on the Panel's website). The update focussed on

issues including above inflation in contract price rises in telecoms, migration to VoIP and 2G/3G switch-off. It was noted that the Panel was in the process of reviewing its priorities for 2023/24, that it expected its remit to widen to include online safety and was looking to strengthen expertise amongst its membership.

5. In discussion issues raised included bill shock resulting from the re-introduction of roaming charges post-Brexit and an upcoming review of postal safeguard caps. Richard Spencer would shortly be meeting with a representative of West Yorkshire Combined Authority to discuss its digital programme and any areas of mutual interest. Referring to in contract price rises affecting services like broadband, the Committee re-iterated its view that the latter was an essential service

[Note: The Committee raised the issue of essential services at its meeting in December 2020 and then sought Ofcom's view, which was that communications was becoming essential to daily life and services such as fixed broadband, mobile and landline, were of particular importance to many people. However, categorising a service as essential did not necessarily translate into prohibiting disconnection for non-payment of a bill, for example.]

Ofcom Board update

6. Angela Dean reported on recent topics addressed by the Board (minutes and notes of meetings being available on the Ofcom website). The Board had met twice since the last Committee meeting, in December 2022 and February 2023.

7. Matters discussed in December had included Online Safety, Ofcom's strategic aims and the proposed approach to evaluating the new regime; and budget and resources needed to deliver the remaining two years of Ofcom's three-year business plan. In February issues included Royal Mail's financial position; Equinox 2 (Openreach's proposed Fibre to the Premises pricing offer and the subject of an Ofcom consultation due to close on 4 March); the Cabinet Office's Public Bodies Review; and a high-level discussion about the scope and impact of Ofcom regulation. The Committee noted that the NAO was conducting a review of Ofcom's Online Safety Preparations.

8. On 26 January Ofcom had hosted in-person consultation events across the UK on its draft Plan of Work 2023-24, including an England session chaired by Angela. The events had been well attended and issues raised had included vulnerability and affordability; power cuts; and the prospects for alt-nets (building their own independent telecoms networks).

Content Board update

9. Monisha Shah reported on recent topics discussed by the Content Board (minutes of meetings being available on the Ofcom website). The Content Board had met in January and in recent months the format of meetings had evolved to include hour-long deep dive/ debate items, as part of desire to provide early input/advice to Ofcom. In January the debate topic had been the regulation of hate speech and incitement across different platforms, with a focus on online harm. Content Board members had also taken

part in an offline session to allow a more detailed discussion of Ofcom's review of the BBC's Operating Licence and an age assurance and age verification workshop with the Ofcom Board).

10. Looking ahead, the Committee discussed issues including the focus on processes in online regulation, Ofcom's role in supervision, its ongoing engagement with platforms and its ability to impose sanctions. The Chair queried the availability of data on where UK platforms were based, in England in particular.

Public Policy update – ACE 2(23)

11. Members noted recent Government changes, four new departments replacing three existing ones: a Department for Energy Security and Net Zero (DESNZ); a Department for Science, Innovation and Technology (DSIT); a Department for Business and Trade (DBT); and the Department for Culture, Media and Sport (DCMS), the latter with a more refined remit. A majority of Ofcom's remit had moved from DCMS to DSIT, only broadcasting remaining. Postal services had moved to DBT, merging briefs from the former Department for Business, Energy & Industrial Strategy and the Department for International Trade.

12. Michelle Donelan MP had moved as Secretary of State from DCMS to DSIT and would remain responsible for the Online Safety Bill. The Bill had its Second Reading in the Lords on 1 February (the Bill now looking very different) and the Lords Committee Stage was expected to take place shortly. In relation to the Retained EU Law Bill, Ofcom was engaging with the Government to identify relevant legislation that should be retained. Ofcom was also engaging with DCMS as it progressed work on the draft Media Bill (in January, DCMS had announced its decision not to proceed with privatisation of Channel 4 and instead would implement reforms to the broadcaster's operating model via the Bill).

13. In relation to telecoms, engagement continued with Government on the subject of power and network resilience and scoping a potential joint programme of work to address resilience concerns.

BBC local radio – ACE 3(23)

14. Members were given a brief overview of changes the BBC was planning for local radio in England, centred around greater programme sharing after 2pm on weekdays and across the weekends; the work Ofcom had been undertaking to assess the potential impact of these changes; and Ofcom's proposed next steps.

15. The changes had been met with negative sentiment from a wide set of stakeholders but Ofcom had not identified any major concerns with the BBC's plans in terms of the delivery of the conditions in the Operating Licence, or its remit more broadly. However, in initial analysis some particular types of content had been identified as particularly important to the delivery of localness. As a result, Ofcom had written to

the BBC to ask how it would continue to deliver such content to audiences during shared programming. The intention was to publish the letter (and the BBC's response) alongside the Operating Licence Statement later in March and to set out Ofcom's analysis of the changes within the Statement. In addition, Ofcom was planning to carry out new research to better understand what audiences need and value from local services.

16. More widely a Member questioned how direct Ofcom's monitoring would be and that the BBC should not be left to self-assess delivery of its remit. The Chair flagged the importance of nurturing local journalistic talent and widening employment access to the broadcast sector as a whole. It was noted that diversity was an important aspect of localness and recent census data had shown that there were new dimensions to consider.

Beyond Broadcast – ACE 4(23)

17. Beyond Broadcast was an annual data-led Ofcom research project. It detailed trends in audience behaviour and market dynamics in the audiovisual sector to further Ofcom's understanding of the sector and the impact that online video was having on traditional TV viewing and business models.

18. Some highlights were flagged, beginning with the latest data for broadcast TV viewing. In 2022 the broad trend was a continued reduction. Amongst older audiences viewing had historically been fairly resilient but notably declined in the year, indicating a shift to on-demand services. Some boosts in TV viewing, compared to the same months in 2021, had been provided by coverage of the death of Queen Elizabeth II, as well the FIFA World Cup 2022.

19. Broadcasters' on-demand services performed relatively well in 2022, after seeing their share of the VoD market eroded as a result of the SVoD boom. Whilst the BBC iPlayer was the most popular, ITV saw spikes in June and July with Love Island and a boost during the launch of ITViX in November.

20. In discussion, issues raised included FAST services (free advertising-supported streaming television), one example being Paramount's Pluto TV service. These were still nascent services but as they became more common there could be an impact on ad revenues for PSBs. At its meeting in December, the Committee flagged 2021 Census data. It was noted that such data could inform Ofcom market research, to identify under-represented audiences for example.

Scams update – ACE 5(23)

21. Ofcom's response to scam calls and messages had been to take steps to disrupt them by making it harder for scammers to use communications services to reach consumers; to collaborate and share information with the Government, regulators, law enforcement and consumer groups; and to help consumers to avoid scams by raising awareness so that they could more easily spot and report them.

22. Two Ofcom statements were published in November 2022 (*Improving the accuracy of Calling Line Identification (CLI) data* and a *Good practice guide to help*

prevent misuse of sub-allocated and assigned numbers) and research from a scams survey carried out in August 2022. Also of note was a difference in trust levels, people claiming to be more likely to pick up a call from a UK landline or mobile number that they did not recognise than from an unknown international or a withheld number. However greater trust in UK originated numbers could be misplaced.

23. In discussion issues raised included how well the communications industry was responding to scams, some communications providers being more proactive, some taking action only when pushed to do so or partly to avoid regulation; the importance of sharing technical information and best practice; the fact that anyone could be the target of a scam, ie not just vulnerable consumers; that despite a lot of consumer information being available about scams it was still not reaching everyone; and rather than be able to stop all scams it appeared to be more a matter of taking steps to reduce them.

Update on VoIP migration

24. Public Switched Telephone Networks (PSTN) in the UK are being decommissioned and traditional landline phone services were being replaced with Voice over IP (VoIP) services. Migration is driven by two developments, firstly the PSTN is nearing the end of its life and secondly traditional telephony does not work over new fibre-to-the-premise (FTTP) networks.

25. Ofcom was taking various steps to encourage industry to ensure a smooth transition and to protect consumers, including those that were vulnerable (with monthly meetings with BT). Key migration issues included power resilience (VoIP phones do not work in a power outage); telecare and other connected devices might not work on VoIP services, and consumers needed to be aware of the migration or understand the implications for them.

26. In discussion topics raised included the steps BT was taking to improve customer awareness (it was also developing products and solutions to address issues that had arisen during migrations to date, with 27% of UK fixed voice lines already delivered over broadband). The Chair flagged that, during the pandemic, more had been learnt about vulnerable people and that could be useful, as would a national information campaign. It was suggested that migration on a regional basis could help to raise local awareness, as could co-operation between communications providers on messaging (Virgin Media O2 and Vodafone were also migrating customers).

Post update – ACE 6(23)

27. Members were briefed on Ofcom's approach to the regulation of postal services, referencing the Postal Services Act 2011 and universal service postal obligations that applied to Royal Mail. It was noted that Ofcom was undertaking a price cap review and planned to publish a consultation setting out its analysis and proposals in Q2 2023-24.

28. Topics discussed included the viability of Royal Mail and sources of information to allow Ofcom to evaluate this, including monthly accounts and financial forecasts; consumer expectations and how they had changed over time in terms of reliability, availability, the cost of a postal service and value attached to door-to-door delivery by a

<p>local postman/woman (Ofcom had research it could draw upon); ongoing decline in letters, whilst there were still some consumers lacking digital skills; prioritisation of parcels, eg at Christmas time; Royal Mail quality of service but an awareness that recent industrial action had an impact; and whether a reduction from six to five-day delivery could be beneficial in sustaining Royal Mail.</p>
<p>Members’ open session</p> <p>29. The Chair flagged that Ofcom had just published Terms of Reference for its latest Thematic Review of the BBC (into under-served audiences) and wished to engage with the Nations Advisory Committees at the next round of meetings in June. The Chair had confirmed the Committee’s interest in this work and had urged that equal weighting be given to diverse groups, suggesting that such groups were also underserved and were likely to have low satisfaction levels.</p> <p>30. A Member had attended the recent Mobile World Congress in Barcelona (an annual trade show organised by GSMA - the Groupe Speciale Mobile Association) where one talking point had been that big tech companies should contribute to the cost of mobile networks that deliver their services.</p> <p>31. A recent report published by PWC had suggested that many telcos might not survive the next decade and that much consolidation was likely. In addition, with 5G services just beginning and the investment required mobile network operators would need to be in a good financial state. The Chair proposed that a future Committee meeting include an item on the health of the telecoms sector.</p> <p>32. Another recent joint-report on digital identities by Tony Blair and William Hague was flagged, entitled <i>A New National Purpose: Innovation Can Power the Future of Britain</i> (calling for the implementation of a single digital-ID system for all residents in the form of a digital wallet accessible from a personal device).</p>
<p>Future agendas</p> <p>33. Devolution agreements between the Governments and English regions (Greater Manchester and the West Midlands) were expected shortly in the Budget and it would be interesting to consider the impact for Ofcom and communications. In terms of the location for the next meeting, Bradford was suggested and would be explored with contacts at the University. Ofcom’s office in Warrington was also suggested as a possible option.</p>
<p>Information items</p> <p>34. Broadcast, Postal and Telecoms data (England) – ACE 7(23): The paper was noted.</p>
<p>Any Other Business</p> <p>35. There was no other business.</p>
<p>Date of the Next Meeting</p> <p>36. The next scheduled Committee meeting would be held on 8 June 2023.</p>