

**PUBLICATION MINUTES OF THE TWO HUNDRED AND NINETY-SEVENTH MEETING OF
THE OFCOM BOARD HELD ON 21 SEPTEMBER 2022
MEETING HELD AT RIVERSIDE HOUSE, SE1 9HA AND VIA MICROSOFT TEAMS**

Present

Michael Grade	Chair
Maggie Carver	Deputy Chair
Kevin Bakhurst	Executive Member and Group Director, Broadcasting & Online Content
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 Group Director, Networks & Communications
David Jones	Non-Executive Member
Graham Mather	Non-Executive Member (via Teams)
Ben Verwaayen	Non-Executive Member (via Teams)

In attendance

Martin Ballantyne	General Counsel
Francesca Carter	Head of Governance
Sharon Malley	Governance Manager
Jessica Zucker	Director, Online Safety Policy (item 5)
Anna-Sophie Harling	Principal, Online Safety Policy (item 5)
Suzanne Cater	Interim Director, Investigations (item 5)
Sheryl Wilson	Principal, Enforcement (item 5) (via Teams)
Joe Woolmer	Case Leader, Competition Investigations (item 5) (via Teams)
Luisa Affuso	Group Director, Economics (item 6) (via Teams)
Cristina Luna-Esteban	Director, Telecoms Consumer Protection (item 6)
Ed Leighton	Director, Strategy and Policy (item 6)
Yih-Choung Teh	Group Strategy and Research Director (item 7)
Ian Macrae	Director, Market Intelligence (item 7) (via Teams)
Claire Levens	Principal, Strategy and Policy (item 7)
Alison Preston	Head of MSOM Research (item 7)
Melissa Tatton	Group Corporate Director (items 8-10)
Kate Davies	Director, Public Policy (item 8) (via Teams)
Kerri-Ann O'Neill	People and Transformation Director (items 9-10)
Curtis Juman	Finance Director (item 10)

	Action
Item 1: Declaration of members' interests	
1. The Board noted Maggie Carter's appointment as a Deputy Lord Lieutenant of Hampshire.	

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<p>Item 2: Minutes of the meeting held on 20 July 2022 and matters arising – Board minutes 296(22) and note of action points</p> <p>2. The minutes of the Ofcom Board meeting held on 20 July 2022 were APPROVED for signature by the Chair as an accurate record.</p> <p>3. A summary of progress against action points had been circulated. Status updates against each of the actions, as set out in the summary, were NOTED.</p>	
<p>Item 3: Chair’s introduction</p> <p>4. The Chair updated the Board on his forthcoming speech at the Royal Television Society and associated media activity. He said he would circulate a copy of the speech to the Board once finalised. He also updated the Board on appointments and noted the announcement that Will Harding would be joining the Board from 3 October 2022.</p>	CEO
<p>Item 4: Chief Executive’s report – Board paper 85(22)</p> <p>5. Melanie Dawes presented her report, which included a review of progress against the three corporate priorities of the Three-Year Plan, the new Career and Performance Management system and preparations for taking on online safety duties.</p> <p>6. The Board noted the findings of the colleague survey. There were improvements in several areas, including culture, respect, and pride in Ofcom, but a need for additional staff engagement on issues like connected working. This was perhaps in part a response to resistance to the Connected Working Framework. The Board noted that encouraging staff to attend offices in person was beneficial but very challenging for the leadership.</p> <p>7. The Chief Executive updated the Board on relevant appointments in the new Government and progress with the Online Safety and Media Bills. The Board noted that the Government had indicated an interest in regulatory reform.</p> <p>8. The Board NOTED the report from the Chief Executive and Board Paper 85(22).</p>	
<p>Item 5: VSP regime – Year 1 report and plans for Year 2 – Board paper 86(22)</p> <p>9. Jessica Zucker introduced paper 86(22), on outcomes following the first year of the Video Sharing Platforms (“VSPs”) regime and plans for the second year. She said Ofcom had developed better understanding of the measures VSPs were taking to protect against online harms and that there had been progress with setting up regulatory relationships with the firms. All in-scope platforms had terms and conditions of use in place and all had reporting and flagging systems. There was still work to be done on establishing the efficacy of the measures each firm employed, given the content still available on the platforms.</p> <p>10. The Board noted that many platforms had age restrictions but few had the ability for users to flag content as being unsuitable for users under particular ages. Some regulators were trying to develop a universal understanding of age-related content but progress on this had been limited.</p> <p>11. The Board supported the division of the report into chapters for each platform rather than for each measure as this more accurately reflected how users encountered</p>	

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<p>content. It was noted that the work done to operationalise the VSP regime was useful preparation for the adoption of the forthcoming Online Safety regime.</p> <p>12. The Board noted that many of the in-scope platforms were global firms and that an international approach was needed. Ofcom had good relationships with regulators in other countries and was developing bilateral relationships with regulators in EU countries, although the low likelihood of the US tackling online regulation was recognised. The Board noted that if the UK could address the issue successfully it would have an impact on regulation globally.</p> <p>13. The Board NOTED the milestones and successes achieved in Year 1 and the key findings being reported in the Year 1 VSP Report; the revised strategic priorities for Year 2 of the VSP regime and that a version of these would be published as part of the Year 1 VSP Report; and the separate publication of the research report on the Buffalo attack on 6 October.</p> <p>14. The Board APPROVED the final publications being signed off by Kevin Bakhurst.</p>	
<p>Item 6: Cost of living – impact on consumers and sectors – Board paper 87(22)</p> <p>15. Cristina Luna-Esteban presented paper 87(22) on the cost of living pressures for consumers. The paper included an overview of impact on all our sectors but focused on telecoms because of the essential nature of broadband and mobile services to consumers. The paper also confirmed that the general Ofcom strategy of promoting investment and competition remained. Ofcom did not regulate retail prices, believing that competition was the best way, instead focusing on improving consumer engagement and increasing price transparency plus a focus on vulnerable consumers. However, the current extraordinary macroeconomic circumstances should be recognised and section 2.3 of the paper set out the actions Ofcom was proposing.</p> <p>16. The Board noted that many companies included a mid-term price rise based on a percentage increase plus inflation. The rises in April 2023 were likely to be much higher than expected by consumers when they entered their contracts and unlikely to reflect fully increased costs being borne by the retail providers. Ofcom was conducting an internal evaluation of the impact of mid contract price rises on competition and consumer behaviour.</p> <p>17. The Board noted that take-up of social tariffs was slower than ideal and that research on this would be published shortly. Broadband providers should be driving take-up and a comms programme on this was planned for the Autumn.</p> <p>18. The Board NOTED the cost of living paper, including the actions set out in section 2.3.</p>	
<p>Item 7: Online media literacy programme – Board paper 88(22)</p> <p>19. Yih-Choung Teh presented paper 88(22) on Ofcom’s remit on media literacy and its approach to delivering the remit.</p> <p>20. The Board noted the importance of media literacy, including to improve online safety through enabling consumers to navigate online content safely and effectively. There</p>	

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<p>was pressure from parliamentarians to do more in this area and Ofcom was seeking ways to encourage platforms to take this forward through their own platform design.</p> <p>21. The Board noted the role that schools could play in improving media literacy from a younger age, which was the responsibility of the Department for Education.</p> <p>22. The Board NOTED Ofcom's remit for promoting online media literacy, including in particular how it was a lever for delivering online safety, and supported the approach being adopted to delivering this remit.</p>	
<p>Item 8: Public bodies review – Board paper 89(22)</p> <p>23. Kate Davies presented paper 89(22) on Ofcom's preparation for the Public Bodies Review and its approach to engaging with the NAO's review of online safety.</p> <p>24. The Chair noted that the Ofcom Board would ultimately be accountable for Ofcom's input to, and engagement with, the Public Bodies Review and the Chair would act as the Board's representative. Board members would be kept up to date on progress consistent with the importance of the review. If necessary, a committee of the Board could be formed.</p> <p>25. The Board noted that Ofcom's position was different from many public bodies as it was not funded by government. This could lead to different understandings of the meaning of efficiency and efficacy. Another body being reviewed had chosen to set out the actions it was taking to improve efficiency even though it was not subject to a government target funding cut, and this was an approach that Ofcom could consider.</p> <p>26. The Board noted that NAO's timetable for the review of preparedness for online safety had been put back and was now expected to begin at the end of the year.</p> <p>27. The Board NOTED the plans for preparing for the Public Bodies Review and the approach to engaging with the NAO's review of Online Safety.</p>	
<p>Item 9: Colleague survey 2022 – Board paper 90(22)</p> <p>28. Kerri-Ann O'Neill presented paper 90(22) on the results of the 2022 colleague survey. The Board noted that overall the results were strong but focused their discussion on areas for improvement.</p> <p>29. The scores relating to the Senior Management Team ("SMT") had dipped from a positive to a neutral position. There were also disappointing scores in areas such as agility and bureaucracy.</p> <p>30. SMT had discussed the results and agreed a plan to set expectations for directors to improve engagement with principals. The work in relation to streamlining decision-making processes was in hand and would need to address organisational culture as well as systems.</p> <p>31. The Board noted the importance of empowering colleagues at principal level, who were key to delivering Ofcom's objectives. The difficulty for principals and senior associates to progress within Ofcom's structure, combined with an apparent lack of empowerment in their roles, may be contributing to their lack of engagement.</p>	

	Action
32. The Board NOTED the findings from the 2022 Colleague Survey.	
<p>Item 10: Cost of living crisis – additional one-off support to colleagues – Board paper 91(22)</p> <p>33. Kerri-Ann O’Neill introduced paper 91(22), setting out a proposal to provide one-off support to lower-paid colleagues in response to cost of living pressures.</p> <p>34. The Board discussed whether the threshold for the support was set at the appropriate level. It was noted that it would capture only basic rate taxpayers¹ and was not out of line with actions being taken in Ofcom’s sectors. The support would not be consolidated into salaries but would be a one-off payment. Salaries had increased by 3% this year after zero increase the year before, so the pattern of salary increases had been modest. The majority of Ofcom staff were based in London and the south east, where cost of living pressures were higher.</p> <p>35. It was noted that it would be important to be clear on how the support would be paid for, with funding being available following underspend on bonuses and a slower pace of recruitment.</p> <p>36. The Board NOTED the plan to raise awareness of the existing tools available to support financial wellbeing and APPROVED additional one-off support for colleagues who met the criteria.</p>	
<p>Item 11: Modern Slavery Statement</p> <p>37. The Board APPROVED the Modern Slavery Statement for publication.</p>	
<p>Item 12: Risk and Audit Committee appointments</p> <p>38. The Board APPROVED the appointment of Karen Baxter and Will Harding as members of the Risk and Audit Committee effective 1 December 2022 and 3 October 2022 respectively.</p>	
<p>Item 13: Appointment of new Advisory Committee for Northern Ireland members</p> <p>39. The Board APPROVED the appointments of Michaela McAleer and Aodhan O’Donnell as Members of the Advisory Committee for Northern Ireland for three-year terms to run from 1 November 2022 until 31 October 2025.</p>	
<p>Item 14: Information items</p> <p>40. The Board NOTED the following information items:</p> <ul style="list-style-type: none"> • Report from the Chair of the Content Board. Maggie Carver said the Content Board had adopted a new format, with fewer items and more room for debate. The Board had also had a deep dive on complaints and a review of the BBC’s programme of work and Annual Report. • Non-executive member updates – Board paper 95(22) 	

¹ The current tax-free allowance is £12,570 and the basic rate of tax is payable on the next £37,700 of income, up to a maximum £50,270.

	Action
<ul style="list-style-type: none"> • Planning for the Ofcom Board strategy day – Board paper 96(22) • Business continuity management update – Board paper 97(22) • Quarterly performance update – Board paper 98(22) • Latest Connected Working data – Board paper 99(22) • Board work programme – Board paper 100(22), and publications schedule – Board Paper 101(22) • Minutes of the Advisory Committee for England (9 June 2022), Advisory Committee for Scotland (14 June 2022), Communications Consumer Panel (16 June 2022), Advisory Committee for Northern Ireland (21 June 2022), Advisory Committee for Wales (23 June 2022), and Content Board (5 July 2022) 	
<p>Item 15: Any other business</p> <p>41. Kevin Bakhurst updated the Board on complaints about the broadcast coverage of the royal funeral and noted that the majority related to a Sky reporter mistaking a protest march for mourners.</p> <p>42. The Board noted concern around governance at BBC Northern Ireland and the impact this was having on local content. The Chief Executive said she would raise this on her forthcoming Belfast trip and in discussion with the Director General of the BBC.</p> <p>43. Kevin Bakhurst said Ofcom had some concerns over the BBC’s plans for news and how it would continue to serve UK audiences. The BBC had agreed to revert to Ofcom with more detail.</p>	
<p>Item 16: Date of the next meeting</p> <p>44. The next scheduled Board meeting would be held on Wednesday 12 October 2022.</p> <p>45. The meeting concluded at 12.20 pm.</p>	

Approved: _____
Chair