

**PUBLICATION MINUTES OF THE THREE HUNDRED AND TENTH MEETING OF
THE OFCOM BOARD HELD ON 13 DECEMBER 2023
AT RIVERSIDE HOUSE, LONDON SE1 9HA AND VIA MICROSOFT TEAMS**

Present

Michael Grade	Chair
Maggie Carver	Deputy 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 Group Director, Networks & Communications
Will Harding	Non-Executive Member (via Teams)
David Jones	Non-Executive Member

In attendance

Martin Ballantyne	General Counsel
Veronica Branton	Corporation Secretary
Francesca Carter	Head of Governance (via Teams)
Sharon Malley	Governance Manager
Melissa Tatton	Group Director Corporate (Item 6)
Aneen Blackmore	Finance Director (Item 6)
Paul Schwarz	Risk Management and Insurance Lead (Item 6)
Cristina Luna-Esteban	Director of Telecoms Consumer Protection (Item 7)
Gurpreet Sahota	Network and Comms Policy Principal (Item 7)
David Clarkson	Director, Telecoms Competition (Item 8)
Ben Harries	Director, Economics (Item 8)
Marina Gibbs	Director, Post (Item 9)
David Brown	Regulatory Finance Director (Item 9)
Gill Whitehead	Group Director Online Safety (Item 10) (via Teams)
Paul Lipscombe	Financial Controller (Item 12) (via Teams)

Apologies

Ben Verwaayen	Non-Executive Member
---------------	----------------------

	Action
Item 1: Declaration of members' interests	
1. David Jones updated the Board on his new interest.	
Item 2: Minutes of the meeting held on 15 November 2023 and matters arising – Board minutes 309(23) and note of action points	
2. The minutes of the Ofcom Board meeting held on 15 November 2023 were APPROVED for signature by the Chair as an accurate record.	
3. A summary of progress against action points was NOTED .	

	Action
<p>Item 3: Chair’s report</p> <p>4. The Chair updated the Board on his activities. He said that Ofcom’s work on the public interest intervention notice relating to the ownership of the Telegraph Media Group was being led by Siobhan Walsh and Martin Ballantyne and that the outcome of that work would be reported to the Board and the Government in due course.</p> <p>5. The Chair welcomed the appointment of the new Chair of the BBC.</p>	
<p>Item 4: Chief Executive’s report – Board paper 129(23)</p> <p>6. Melanie Dawes presented paper 129(23) on her activities and said that this had been a busy period for Ofcom. Since the previous Board, Ofcom had published its consultation on preventing children from viewing pornographic material and its consultation proposing to ban 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.</p> <p>7. The Board noted David Willis’s 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 hear from David Willis at a future meeting.</p> <p>8. Melanie Dawes said she and Lindsey Fussell 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.</p> <p>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.</p> <p>10. The Board NOTED the paper.</p>	<p>Corp Sec</p>
<p>Item 5: Report from the Risk and Audit Committee</p> <p>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.</p> <p>12. The Committee had reviewed physical security and had discussed an incident in which someone had attended Riverside House in person to complain. The Committee had also been updated on the recent attack on Ofcom’s website.</p>	

	Action
<p>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.</p> <p>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.</p> <p>15. The Board NOTED the update.</p>	Corp Sec
Item 6: Strategic Risk Register development – Board paper 130(23)	
<p>16. Aneen Blackmore introduced paper 130(23) 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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	
Item 7: Consumer Protection Monitoring and Compliance programme update – Board paper 131(23)	
<p>21. Cristina Luna-Esteban presented paper 130(23) on Ofcom's telecoms consumer strategy. She said 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. The work of this team suggested the market was largely working properly.</p> <p>22. The Board questioned whether adequate data was available on customer satisfaction with the processes for switching broadband providers, getting repairs or moving home. Survey data suggested there were no significant spikes of dissatisfaction but it was difficult to measure whether consumers were so dissatisfied and lacking confidence in the process that they did not think it was worth complaining. Cristina Luna-Esteban said Ofcom may conduct future compliance work on broadband customer service and the Board's interest in this was noted.</p>	

	Action
<p>23. 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. 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.</p> <p>24. The Board NOTED paper 130(23) setting out progress with Ofcom’s telecoms consumer strategy.</p>	
<p>Item 8: Update on fixed telecoms markets – Board paper 132(23)</p> <p>25. David Clarkson presented paper 132(23) on Ofcom’s fixed telecoms markets strategy. He said the coverage of gigabit capable networks was progressing well and updated the Board on the financial performance of operators in the sector.</p> <p>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.</p> <p>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.</p> <p>28. The Board NOTED paper 132(23), including the success of Ofcom’s promotion of commercial investment in gigabit capable networks, that levels of anticipated full-fibre roll-out were likely to be achieved, that Ofcom was preparing contingency plans in the event of altnet consolidation and failure and that Ofcom was starting to prepare for the Fixed Telecoms Access Review 2026.</p>	<p>Lindsey Fussell</p>
<p>Item 9: Update on Ofcom’s postal work – Board paper 133(23)</p> <p>29. Marina Gibbs introduced paper 133(23) updating the Board on Ofcom’s work on post and the current position of Royal Mail. She said Ofcom had made good progress since earlier in the year both in terms of working with the Department for Business and Trade on contingency planning and progressing our thinking which will inform our January publication on the future of the universal service obligation (USO). She added that the publication was timely as public debate on the future of the USO needed to be advanced. The Board noted that Ofcom has a number of levers to change the scope of the USO, while others were for Government.</p> <p>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 noted the trade-off between lengthening the delivery periods and increasing the reliability of the new standards. The implications for small business customers and economic growth would need to be considered.</p>	

	Action
<p>31. The Board NOTED paper 133(23), including the assessment of Royal Mail’s financial position and business plan, the publication of Ofcom’s contravention finding, and Ofcom’s next steps.</p>	
<p>Item 10: Stakeholder response to illegal harms consultation</p> <p>32. Gill Whitehead updated the Board on stakeholder reaction to Ofcom’s consultations on illegal harms and age assurance for pornography services. She said feedback had been broadly positive in relation to the pace at which Ofcom was moving and the robustness of the consultation material. There had been some concern about the length of the consultation, which Ofcom had attempted to mitigate through stakeholder engagement and the provision of signposting to allow stakeholders to easily identify the aspects of the consultation that were relevant to them.</p> <p>33. There had been some encouraging early feedback from a range of stakeholders. Some of the initial concerns related to a desire for Ofcom to go further and faster in some areas, but often these related to matters that were planned for future consultations and communications on this would be important.</p> <p>34. Gill Whitehead said 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. As a result of the research, Ofcom would be opening an investigation into the accuracy of information provided by TikTok in response to a statutory information request. It would be important to emphasise at the outset of the online safety regime the importance of Ofcom’s statutory information gathering powers, and this action was consistent with that.</p> <p>35. 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.</p> <p>36. The Board NOTED the update.</p>	
<p>Item 11: Board Evaluation Review proposals for 2023/24 – paper 134(23)</p> <p>37. Veronica Branton presented paper 134(23) 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.</p> <p>38. 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.</p>	
<p>Item 12: Corporate Governance Framework: 2023 review – paper 135(23)</p> <p>39. Veronica Branton presented paper 135(23) setting out proposed amendments to the Corporate Governance Framework.</p> <p>40. The Board APPROVED the Corporate Governance Framework as set out in paper 135(23) to be effective from 1 January 2024.</p>	

	Action
<p>Item 13: Advisory Committee for Northern Ireland: membership terms – paper 136(23)</p> <p>41. 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.</p>	
<p>Item 14: Advisory Committee for England: appointment of three new members – paper 137(23)</p> <p>42. 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.</p>	
<p>Item 15: Communications Consumer Panel and ACOD member: renewal of term – paper 138(23)</p> <p>43. 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.</p>	
<p>Item 16: Six-monthly Ofcom enforcement update – Board paper 124(23)</p> <p>44. Martin Ballantyne said he hoped to bring a paper on enforcement techniques to a future Board meeting and that the forthcoming paper on supervision would include enforcement.</p> <p>45. The Board NOTED the enforcement update.</p>	
<p>Items 17-20: Information items</p> <p>46. The Board NOTED the following information items:</p> <ul style="list-style-type: none"> • Non-executive member updates – Board paper 140(23). The Board noted concerns about how Channel 4 out-of-England provision was spread among the nations • Quarterly performance report – Board paper 141(23) • Board work programme – Board paper 142(23), and publications schedule – Board Paper 143(23) • Minutes of the Advisory Committee for Wales (4 October 2023) and Communications Consumer Panel (17 October 2023) 	
<p>Item 21: Items in the Diligent Board reading room</p> <p>47. The Board noted the items in the Diligent Board reading room.</p>	
<p>Item 20: Any other business</p>	

	Action
<p>48. 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.</p> <p>49. 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.</p>	
<p>Item 21: Date of the next meeting</p> <p>50. The next scheduled Board meeting would be held on Wednesday 7 February 2024.</p> <p>51. The meeting concluded at 1.05 pm.</p>	

Approved: _____
Chair