

**PUBLICATION MINUTES OF THE THREE HUNDRED AND SEVENTH MEETING OF
THE OFCOM BOARD HELD ON 20 SEPTEMBER 2023
AT RIVERSIDE HOUSE, 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 (via Teams)
Lindsey Fussell	Executive Member and Group Director, Networks & Communications
Will Harding	Non-Executive Member
David Jones	Non-Executive Member
Ben Verwaayen	Non-Executive Member (via Teams)

In attendance

Martin Ballantyne	General Counsel
Veronica Branton	Corporation Secretary
Sharon Malley	Governance Manager
Gill Whitehead	Group Director, Online Safety (Item 5)
Melissa Tatton	Group Director Corporate (Items 5 and 10)
Mark Bunting	Online Safety Strategy Delivery Director (Item 5)
Chris Walker	Programme Delivery Lead (Item 5) (via Teams)
Cristina Luna-Esteban	Director of Telecoms Consumer Protection (Item 6)
Will Pinkney	Principal Consumer Policy (Item 6) (via Teams)
David Willis	Group Director, Spectrum (Item 7)
Chris Woolford	Director, International Spectrum (Item 7) (via Teams)
Yih-Choung Teh	Group Director Strategy and Research (Item 8)
Kate Jones	CEO, Digital Regulation Cooperation Forum (Item 8)
Chia Seiler	Public Policy Principal (Item 8)
Siobhan Walsh	Interim Group Director, Broadcasting and Media Group (Item 9) (via Teams)
Caroline Longman	Competition Policy Manager (Item 9)
Ali Abbas-Ali	Director of Broadcasting Competition (Item 9)
Aneen Blackmore	Director of Finance (Item 10)
Sarah Murray	Principal, Public Policy (Item 10)

	Action
Item 1: Declaration of members' interests	
1. No new declarations of interest were notified.	
Item 2: Minutes of the meeting held on 19 July 2023 and matters arising – Board minutes 306(23) and note of action points	
2. The minutes of the Ofcom Board meeting held on 19 July 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 noted that the Online Safety Bill had now completed its progress through Parliament and congratulated the team on achieving this milestone. He said he had interviewed candidates for the Board of Channel 4 Corporation and had been very pleased with the strength of the candidates, with five now recommended for appointment¹. Appointments to Ofcom’s own Board were in train and discussions were taking place over the use of a recruitment agency to widen the pool of applicants. He had held a positive meeting with the new Permanent Secretary at DCMS.</p>	
<p>Item 4: Chief Executive’s report – Board paper 93(23)</p> <p>5. Melanie Dawes presented paper 93(23) on her activities, including the following:</p> <ul style="list-style-type: none"> • It was not clear when Royal Assent for the Online Safety Bill would be achieved. The most likely date was the end of October, meaning that Ofcom would publish its illegal harms consultations in the week beginning 13 November after the King’s Speech. But it was just possible that this could come forward by four weeks and for now the teams were still holding open the possibility of publication on 17 October. It was becoming increasingly important to manage expectations around when it would be possible to start making enforcement decisions. • Ofcom had published its decision not to amend current advertising regulations for public service broadcasters (PSBs) and had also published its decision that an episode of Saturday Morning with Esther and Phil on GB News had breached Broadcasting Code provisions on due impartiality. • Royal Mail had secured refinancing as it sought to address its current financial challenges. Ofcom’s indication that it intended to open the question of the future scope of the universal service obligation had been well received. • On telecoms, Ofcom was beginning to consider the next access review and was monitoring the market and potential proposals for consolidation. <p>6. The Board discussed the question of mid-contract price rises for mobile customers, noting that Ofcom did not have power to intervene on retail prices. It was noted that Ofcom viewed the current retail market as competitive and that its focus should continue to be on ensuring consumers understood their contracts and changes to them, as well as issues such as whether rises should be set as percentage increases or as monetary amount.</p> <p>7. The Board discussed the proposed approach to the 24/25 budget process and the request for the Board to see more detailed information on the cost of budgeted items and the choices under consideration. It was agreed that the Executive would revert on options for this.</p> <p>8. The Board discussed Ofcom’s decision not to amend current advertising minutage regulations for PSBs and the judgement that it had not been possible to make the economic and consumer case for change. The Board noted that it would be possible to look again at this issue following the conclusion of the Media Bill and in the context of the next PSB review.</p>	<p>CEO</p>

¹ One appointment to be deferred until June 2024.

	Action
<p>9. The Board noted that a candidate had accepted an offer for the permanent role of Group Director Broadcasting and Media.</p> <p>10. The Board NOTED paper 93(23).</p>	
<p>Item 5: Online Safety readiness update – Board paper 94(23)</p>	
<p>11. Gill Whitehead presented paper 94(23) on Ofcom’s readiness for the launch of the online safety regime and welcomed the passing of the Online Safety Bill through Parliament. Ofcom was well prepared for the launch of the regime but uncertainty remained over the scale of the response to the first consultation and the issues that would be raised. Mitigations were in place to manage contact from consumers and regulated services, with the use of an online complaints form designed to streamline contact handling. Contingency plans were in place to flex existing resources should demand exceed expectations.</p> <p>12. Gill Whitehead said the next most significant risk area for Ofcom’s preparation was around the forthcoming protection of children consultation and the need to ensure adequate resources were diverted to this over the next six months. Group Directors with online safety budgeted resource had been asked for support.</p> <p>13. The Board discussed the paper and noted the importance of managing stakeholder expectations in the early days of the regime. The planned consumer and business communications campaigns should help with this, along with effective stakeholder engagement.</p> <p>14. The Board noted the iterative nature of the regime and the need to continually monitor the changing online safety landscape.</p> <p>15. The Board discussed the online safety budget. The resource envelope was tight and the team were conducting quarterly check-ins to ensure resources were being diverted to the correct priorities.</p> <p>16. The Board NOTED paper 94(23).</p>	
<p>Item 6: Supporting telecom customers with higher costs of living – Board paper 95(23)</p>	
<p>17. Cristina Luna-Esteban presented paper 95(23) on support for telecom customers with higher costs of living. She set out Ofcom’s approach over the coming months, which was focused on the review of in-contract prices rises. She also raised Ofcom’s success with social tariffs but noted that, given this was a voluntary scheme, Ofcom did not have any more levers in this space and it would be for government to direct more action. She highlighted enforcement work in relation to providers’ conduct with our rules on transparency of contracts.</p> <p>18. The Board noted its disappointment that “one-touch switch” for fixed broadband customers had been delayed due to lack of industry preparedness. This was an area Ofcom would monitor carefully ahead of the industry’s revised planned go-live date in March.</p> <p>19. The Board discussed the role of government in promoting take up of social tariffs and plans from Citizens Advice to do more in this area. Although take-up rates remained</p>	

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<p>low, awareness amongst eligible people was about 50% and the latest figures on this would be published in December.</p> <p>20. The Board NOTED paper 95(23).</p>	
<p>Item 7: Preparations for the World Radiocommunications Conference 2023 – Board paper 96(23)</p> <p>21. David Willis and Chris Woolford presented paper 96(23) on Ofcom’s preparations for the 2023 World Radiocommunications Conference. The Board discussed the government’s objectives for the conference and possible outcomes in areas such as the Upper 6 GHz band.</p> <p>22. The Board noted the work being carried out to protect the UK’s position on its priorities, such as space weather, and the liaison being carried out with other participants including the European Commission.</p> <p>23. The Board NOTED paper 96(23).</p>	
<p>Item 8: Digital Regulation Co-operation Forum: strategic considerations – Board paper 97(23)</p> <p>24. Kate Jones presented paper 97(23) updating the Board on strategy for the Digital Regulation Cooperation Forum (DRCF). She said the four regulators comprising the DRCF had all recently taken on, or were in the process of taking on, new or reformed digital responsibilities and this reinforced the need for cooperation. She highlighted areas such as data protection in online safety and financial scams carried out online as areas where Ofcom’s work intersected with other DRCF regulators. An important aspect of the DRCF’s work was in horizon scanning, looking at issues such as the Metaverse and digital ID. She said it was important to be clear that the DRCF was a connector between regulators but did not have regulatory power itself.</p> <p>25. The Board noted that DRCF would be developing a cross-regulatory support service for AI innovators, with funding for the first year pilot provided by the government. The model was likely to seek to provide bespoke support to a small number of innovators rather than basic guidance to a large number and the service would only be open to those who engaged at least two of DRCF’s regulators.</p> <p>26. The DRCF had matured and delivered successfully, and was now well recognised externally, but challenges remained, both internally in moving to pooling resource and delivering work together, and externally where there were calls for increased regulatory coherence in digital domains where policy was still developing. This was particularly the case in respect of AI.</p> <p>27. Melanie Dawes said the Chief Executives of the regulators met quarterly to set the direction for the DRCF. The importance of this senior engagement across the members was noted.</p> <p>28. The Board discussed the International Network, which currently consisted of equivalent bodies in Australia, the Netherlands and Ireland, and noted the ambition for other countries to join should they adopt similar models of cooperation.</p>	

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<p>29. The Board NOTED the paper.</p>	
<p>Item 9: BBC programme update – Board paper 98(23)</p> <p>30. Caroline Longman introduced paper 98(23) on Ofcom’s work relating to the BBC, the recommendations arising from the Government’s mid-term review of the BBC, and priorities for the forthcoming year. She said the new BBC operating licence gave the BBC more flexibility to focus on delivering for all audiences. The BBC has started to implement its digital first strategy through making changes to local radio and the BBC news channel.</p> <p>31. Ofcom was preparing its annual report on the BBC, which would assess the BBC against the old licence but also reflect how Ofcom would approach regulation going forward. The Government was close to finalising its mid-term review of the BBC and while no major changes were expected, there would be some implications for Ofcom’s regulation of the BBC.</p> <p>32. The Board discussed the likely recommendations of the mid-term review and the findings of Ofcom’s annual report. The importance of the BBC’s delivery for all audiences was noted, as set out in the BBC’s charter, and this would be addressed in the annual report.</p> <p>33. The Board welcomed the appointment of a BBC Board member for Northern Ireland.</p> <p>34. The Board NOTED the paper.</p>	
<p>Item 10: Public Bodies Review update – Board paper 99(23)</p> <p>35. Melissa Tatton introduced paper 99(23) on Ofcom’s approach to the follow-up questions raised as part of the initial stage of the Public Bodies Review (PBR).</p> <p>36. The Board noted that following the machinery of government changes, Ofcom’s PBR was now being carried out by a new team in DSIT who had less experience of Ofcom than the previous team.</p> <p>37. The Board discussed the draft responses to the follow-up questions and noted the need to provide more details and examples in the answers. Board members were invited to send any suggested amendments to the executive team for inclusion.</p> <p>38. Subject to the above, the Board APPROVED the approach to the follow-up questions and delegated final sign-off to the Chief Executive.</p>	
<p>Item 11: Content Board update</p> <p>39. Maggie Carver updated the Board on the work of the Content Board covering three topics: future PSB licences and the importance of verified accurate duly impartial news from several PSBs; Information Challenges; and the future of Ofcom’s Standards Codes. On the first topic, she said the Content Board was looking at news from PSBs in the context of broadcasters moving more online, and noted that Ofcom currently had less opportunity to directly regulate online content as, for example, PSB online news was not subject to the Broadcasting Code. Ofcom would be regulating BBC News online through a new code and should consider whether this might be extended to the commercial PSBs.</p>	

	Action
<p>40. On the Information Challenge, she said the Content Board noted that there had been a steep decline in linear viewing but it was not clear whether this had been compensated for by online viewing or the extent to which audiences were viewing PSB material online as Ofcom did not have a comprehensive supply of this information. The extent of news provision on social media platforms was also unknown. It was difficult for Ofcom and its interested stakeholders to make informed decisions in the absence of this information. The challenge of information verification for Gen AI material and its potential impact on the forthcoming General Election was also covered.</p> <p>41. On the Future of Standards Codes, the Content Board had observed a shift in some broadcasters' approach to compliance with the Broadcasting Code, with new challenges arising, including in relation to approaches to compliance with the due impartiality rules. With an increasing number of Standards Codes, Ofcom would need to work hard to explain and justify the differences as viewing transitions online. There was also support amongst stakeholders for online badging for those who abided by the Broadcasting Code.</p>	
<p>Item 12: Delegations for enforcement decisions – Board paper 100(23)</p> <p>42. The Board considered paper 100(23) and APPROVED the delegations set out in the appendix to the paper.</p>	
<p>Item 13: Modern Slavery Statement 2023 – Board paper 101(23)</p> <p>43. The Board considered paper 101(23) and APPROVED the Modern Slavery Statement 2023.</p>	
<p>Item 14: Scope and impact of regulation – Board paper 102(23)</p> <p>44. The Board considered paper 102(23) and NOTED the processes in place to assess the extent of regulation in Ofcom's sectors, whether existing rules were still required and where deregulation would be effective.</p>	
<p>Item 15: Market study on the supply of cloud services in the UK – Board paper 103(23)</p> <p>45. The Board considered paper 103(23) and NOTED the findings of the cloud market study.</p>	
<p>Items 16-19: 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 104(23). • Quarterly performance report – Board paper 105(23) • Board work programme – Board paper 106(23), and publications schedule – Board Paper 107(23) • Minutes of the Advisory Committee for Scotland (6 June 2023), Advisory Committee for England (8 June 2023), Advisory Committee for Wales (13 June 2023), Communications Consumer Panel (15 June 2023), Advisory Committee for Northern Ireland (20 June 2023) and Content Board (4 July 2023) 	

	Action
<p>Item 20: Any other business</p> <p>47. There was no other business.</p>	
<p>Item 21: Date of the next meeting</p> <p>48. The next scheduled Board meeting would be held on Wednesday 18 October 2023.</p> <p>49. The meeting concluded at 12.45 pm.</p>	

Approved: _____
Chair