

Minutes of the Ofcom Board held on 19 June 2024, 315(24)

Publication minutes of the three-hundred and fifteenth meeting of the Ofcom Board held on 19 June 2024 at Riverside House, London SE1 9HA and via Microsoft Teams

Present

Michael Grade	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
Clive Jones	Non-Executive Member
Ben Verwaayen	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 (Items 6-7)
Atif Moghal	Head of Strategic Finance and Funding (Item 6)
Kate Davies	Public Policy Director (Item 7)
Simon Redfern	Communications Director (Item 7)
Cristina Nicolotti Squires	Group Director, Broadcasting and Media (Items 8-9)
Anthony Szykaruk	Content Policy Director (Item 8)
Adam Baxter	Standards and Audience Protection Director (Item 8)
Siobhan Walsh	Director of Policy Development (Item 9)
Tom Walker	Content Policy Principal (Item 9)
Gwen Morgan	Legal Director (Item 9)
Rick Hill	Former Chair, Communications Consumer Panel and Advisory Committee for Older and Disabled People (Item 10) (via Teams)
Helen Froud	Chair, Communications Consumer Panel and Advisory Committee for Older and Disabled People (Item 10)

	Action
<p>Item 1: Declaration of members' interests</p> <p>1. No new interests were declared.</p>	
<p>Item 2: Minutes of the meeting held on 22 May 2024 (314(24)) and matters arising</p> <p>2. The minutes of the Ofcom Board meeting held on 22 May 2024 were APPROVED for signature by the Chair as an accurate record.</p> <p>3. A summary of progress against action points was NOTED.</p>	
<p>Item 3: Chair's report</p> <p>4. The Chair updated the Board on his activities, including constructive meetings with the new Chair of the BBC, Samir Shah, and the Chair of Openreach, Mike McTighe.</p> <p>5. The Board NOTED the report.</p>	
<p>Item 4: Chief Executive's report – Board paper 59(24)</p> <p>6. Melanie Dawes presented paper 59(24) on her activities and said that the announcement of the General Election on 4 July meant that the publication of a significant number of decisions, such as on mid-contract price rises, had been delayed until a new Parliament was in place, and the public service media review would not now be launched until September. There would be implications for scheduling relating to implementation of the Media Act and the Online Safety Act but these should broadly be recovered in time as delay for an election at some stage had been forecast. The Media Act and the Digital Markets, Competition and Consumers Act had both been passed in the washup and it was likely that the summer period would be busier than normal for Ofcom.</p> <p>7. Melanie Dawes updated the Board on her visit to the United States and Canada. She said discussions in the US had moved from the principle of regulation in the online safety space to the substance of Ofcom's new regime and its implications. There had been strong support for the work of Ofcom's international and tech teams to help reach this stage.</p> <p>8. Canada was seeking to enact regulatory legislation on online safety with a narrower scope than the UK's, encompassing 10 harms on 40 platforms and a new regulator, but there was some uncertainty over whether it would be passed before the Canadian election. It was agreed that the Board would receive an update from the international team at a future meeting.</p> <p>9. The Board discussed Melanie Dawes' meeting with the CEO of Snap. The Board noted that the BBC's proposals to introduce advertising for its podcasts when hosted on commercial platforms had been met with opposition and that the Government's mid-term review of the BBC had not been concluded prior to the calling of the election.</p>	Corp Sec

<p>10. The Board noted that Ofcom had hosted the recent 6G Global Summit and agreed that it would be helpful to hold a Board workshop on Spectrum issues in the next few months.</p> <p>11. The Board NOTED the paper.</p>	Corp Sec
Item 5: Report from the Chair of the Risk and Audit Committee	
<p>12. Angela Dean updated the Board on the Risk and Audit Committee meeting of 10 June 2024. She said the internal audit report on risk management had received a rating of moderate assurance. It had found that group-level risk management had been somewhat overlooked during the review of strategic risk management and this should be addressed. It had also identified the need for more training for risk champions.</p> <p>13. The report had found Ofcom’s level of risk maturity to be in the middle of its five categories, which the Committee felt was appropriate for an organisation such as Ofcom, and that areas where risk management was weaker would be picked up in the work currently being led by Ofcom’s Head of Risk Management.</p> <p>14. Deloitte had given Ofcom an annual internal audit rating of moderate assurance, which had been expected, and the first audits of 2024/25 were now beginning.</p> <p>15. The external audit was concluding smoothly, although the election meant that there was uncertainty over when Ofcom would be able to lay the Annual Report and Accounts before Parliament.</p> <p>16. The Committee had received a report on data retention and management and noted the progress being made.</p> <p>17. It was noted that having high calibre colleagues in post was important and that Ofcom’s culture was relatively risk-aware. The work on the pay framework aimed to improve Ofcom’s ability to attract talent to key roles.</p> <p>18. The Committee had also held a detailed discussion on the Online Safety fees regime and risks around cashflow management once the regime went live. The paper on this was available for Board members in the reading room. The consultation on the scope of the regime would be launched after the election period and the Committee would discuss it again following the consultation.</p> <p>19. The Committee had had a strategic risk deep dive on Managing our Regulatory Environment. The Committee discussed the risks and mitigations that a potential change of government could have for regulators in general and Ofcom in particular. The possible changes from the CMA's new responsibilities under the Digital Markets, Competition and Consumers Act, and the potential regulation of AI and online advertising, were also discussed.</p> <p>20. The Board NOTED the report.</p>	
Item 6: Annual Report and Accounts – Board papers 60(24) and 61(24)	

<p>21. Angela Dean presented paper 60(24), the Risk and Audit Committee Annual Report to the Board.</p> <p>22. The Board NOTED the report.</p> <p>23. Melissa Tatton presented paper 60(24), the 2023/24 Annual Report and Accounts and Section 400 Licence Fees and Penalty Accounts. The Board discussed the value for money of producing the report and noted that while it may be possible to reduce the cost by producing a slimmed-down report, this would have implications for transparency and accountability and would reduce its usefulness for outside audiences.</p> <p>24. The Board APPROVED the Annual Report and Accounts and the Section 400 Accounts, and delegated sign-off for any subsequent changes to the Chief Operating Officer, and NOTED that, as Ofcom’s Accounting Officer, the Chief Executive would sign the Annual Report and Accounts and Section 400 Accounts.</p>	
<p>Item 7: General Election planning – Board paper 62(24)</p>	
<p>25. Kate Davies presented paper 62(24), setting out Ofcom’s approach to the forthcoming General Election and preparations for an incoming government. She said that timing was uncertain but she was currently assuming there would be a King’s speech in mid-July and a later than usual recess in August, with potentially a combined Autumn Statement and spending review in November. The operational impact of the election for Ofcom was limited but it had delayed the process of absorbing the Phone-paid Services Authority into Ofcom and the confirmation of Board appointments.</p> <p>26. The Board discussed the policies relevant to Ofcom in the manifestos, including the approach to regulation, potential changes to the Online Safety Act and the direction of public spending. It was noted that the new Parliament could look very different to the previous one with an unusually high turnover of MPs.</p> <p>27. The Board noted that Ofcom’s position as an effective economic regulator, alongside its position of only intervening where necessary and deregulating where appropriate, should form part of the key messages set out for incoming ministers.</p> <p>28. It was noted that the regular publication schedule had been paused until the conclusion of the election campaign, after which it would be reinstated, with around three publications a day scheduled until the end of summer.</p> <p>29. It was noted that issues of interest in the new Parliament, for both MPs and Peers, were likely to include online safety, the future of the BBC and Royal Mail, and engagement on this would continue. In many areas, Ofcom’s position was well developed but areas such as the regulation of AI needed further thought. The Board would be engaged in Ofcom’s thinking on this. It would be important to remain close to officials as thinking in these areas matured, while safeguarding Ofcom’s independence.</p> <p>30. The Board NOTED the paper.</p>	
<p>Item 8: Media Programme update – Board paper 63(24)</p>	

31. Anthony Szynkaruk presented paper 63(24) on the implementation programme for the new Media Act. He said there were some issues to resolve in secondary legislation which may impact the implementation timeline and that work was underway on the first two consultations, on listed events and radio deregulation.

32. The Board discussed timings of when potential changes to radio deregulation would take effect and noted that there would be pressure on Ofcom to introduce changes early, potentially leading to complications in relation to enforcement. The importance of treating all broadcasters consistently was noted.

33. It was noted that provisions requiring public service broadcasters (PSBs) to offer their streaming apps on TV platforms could not be taken forward until the government had published the regulations stating which types of device would be covered.

34. The Board discussed the proposal to decouple draft guidance for PSBs on the preparation of statements of programme policy from workstreams on quotas and codes of practice on commissioning from independent producers. This was an efficient approach given the delays to secondary legislation arising from the election.

35. It was noted that Ofcom had carried out research to inform its decisions on how it would define locally-gathered news broadcast on radio.

36. The Board discussed provisions relating to listed events and noted that Ofcom would need to produce regulations defining the meaning of 'adequate live coverage' and 'adequate alternative coverage'. It was noted that Ofcom had called for greater protection for listed events on free to air services and that the new Media Act did improve the position but there was further to go.

37. The Board **NOTED** the paper.

Item 9: Channel 4 relicensing – Board paper 64(24)

38. Siobhan Walsh presented paper 64(24) on Ofcom's proposals for re-consulting on Channel 4's Made Outside England (MOE) quotas. The new proposal included a quota of 12% from 2030 and an expectation that Channel 4 would increase its provision between now and 2030 as well as setting out clear steps for how it intended to increase its MOE capacity. Board members for the nations had fed into the new proposal.

39. The Board discussed the challenges facing the independent production sector and noted that some stakeholders on the production side could be dissatisfied with the proposal.

40. The Board members for the nations reported that independent producers were extremely dissatisfied with Channel 4's approach to the issue. The Board considered it important that Channel 4 engaged constructively with the creative sector in the nations. It was noted that the CEO would be writing to Channel 4 with the Ofcom annual review on Channel 4's Statement of Media Content Policy and that this was an opportunity to raise these issues.

<p>41. The Board NOTED the re-consultation proposals set out in the paper and asked that they be kept updated.</p>	
<p>Item 10: CCP/ACOD outgoing and incoming Chairs</p> <p>42. Rick Hill, the outgoing Chair of the Communications Consumer Panel and Advisory Committee for Older and Disabled People (CCP), and Helen Froud, the incoming Chair, spoke to the Board about their experiences and aspirations for the future.</p> <p>43. Rick Hill said Ofcom’s role had grown considerably during his 10 years on the Committee and that the CCP’s programme of research had provided an evidence base used widely within Ofcom and by politicians and the industry. The Committee’s advisory role occasionally led to it taking a different view to Ofcom but he hoped the relationship was constructive and useful.</p> <p>44. Prior to the conclusion of Graham Mather’s term on Ofcom’s Board, he had attended CCP meetings as a liaison and it would be helpful for this role to be introduced again once his replacement was in post. He would also welcome the opportunity for the new Chair to report more frequently to the Board.</p> <p>45. Helen Froud said the Committee was now operating in a much more complex consumer environment and that with digital harms now added to its remit new members with relevant expertise were being recruited. The Committee acted as an early warning system for consumer harms and aimed to support Ofcom with the increasing scrutiny that was being faced by regulators. There was significant expertise within the Committee which Ofcom could draw upon.</p> <p>46. It was agreed that the Chair and Corporation Secretary would give thought to how closer communications between the Board and the Committee could be achieved.</p> <p>47. The Chair thanked Rick Hill for the work he had done as a member of the CCP and subsequently its Chair and welcomed Helen Froud as the new Chair.</p> <p>48. The Board NOTED the update.</p>	<p>Corp Sec</p>
<p>Items 11-14: Standing items</p> <p>49. The Board NOTED the following information items:</p> <ul style="list-style-type: none"> • Non-executive member updates – Board paper 65(24). Clive Jones updated the Board on the outcome of a complaint by the Alba Party about the scheduling of a party election broadcast in Scotland. • Monthly performance report – Board paper 66(24) • Board work programme – Board paper 67(24), and publications schedule – Board Paper 68(24) 	

<ul style="list-style-type: none"> Minutes of the Communications Consumer Panel of 17 April 2024, Content Board of 30 April 2024 and Risk and Audit Committee of 15 May 2024. 	
<p>Item 19: Items in the Diligent Board reading room</p> <p>50. The Board NOTED the paper on the Online Safety fees regime that was discussed by the Risk and Audit Committee on 10 June 2024, the CCP/ACOP quarterly update and the briefing on Ofcom’s position on misinformation and disinformation.</p>	
<p>Item 19: Any other business</p> <p>51. There was no other business.</p>	
<p>Item 18: Date of the next meeting</p> <p>52. The next scheduled Board meeting would be held on Wednesday 17 July 2024.</p> <p>53. The meeting concluded at 12.15 pm.</p>	

Approved: _____
Chair