

Minutes of the Ofcom Board held on 17 April 2024, 313(24)

Publication minutes of the three-hundred and thirteenth meeting of the Ofcom Board held on 17 April 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 (via Teams)

In attendance

Martin Ballantyne	General Counsel
Veronica Branton	Corporation Secretary
Francesca Carter	Head of Governance (via Teams)
Sharon Malley	Governance Manager
Yih-Choung Teh	Group Director, Strategy and Research (Items 5 and 7)
Iqbal Marikkar	Corporate Strategy Director (Item 5)
Aneen Blackmore	Finance Director (Item 5)
Selina Chadha	Network and Communications Policy Director (Item 6)
Luisa Affuso	Group Director, Economics and Analytics (Item 6)
Ben Harries	Economics Director (Item 6)
Julian Ashworth	Strategy and Policy Director (Item 7)
Claire Levens	Head of Media Literacy Policy and Evaluation (Item 7)
Siobhan Walsh	Content Policy Director (Items 7 and 9)
Mark Bunting	Online Safety Strategy Delivery Director (Item 7) (via Teams)
Cristina Nicolotti Squires	Group Director, Broadcasting and Media (Items 8-9)
Caroline Longman	Competition Policy Manager (Item 9)
Deirdre Gordon	Legal Director (Item 10)
Nuala Cosgrove	Legal Director (Item 10)

In attendance

Melissa Tatton Group Director, Corporate (Item 11)

Cliona O'Brien Head of PMO, Corporate Group (Item 11)

	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 13 March 2024 and matters arising – Board minutes 312(23) and note of action points</p> <p>2. The minutes of the Ofcom Board meeting held on 13 March 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 he and the Chief Executive had attended with the Secretary of State for DSIT and with the Chairs of the Nations Advisory Committees. He also updated the Board on progress with appointments to the Ofcom Board.</p> <p>5. The Board noted the report.</p>	
<p>Item 4: Chief Executive's report – Board paper 31(24)</p> <p>6. Melanie Dawes presented paper 31(24) on her activities. She said Ofcom had recently published the outcomes of standards investigations into GB News in relation to breaches of due impartiality requirements and that Ofcom would be meeting GB News representatives to discuss future compliance. Next week Ofcom would be publishing its research into politicians as presenters, the findings of which were discussed. It was noted that there would be a session for Board and Content Board members on the research on the day after the Board meeting.</p> <p>7. Melanie Dawes said Ofcom would be launching its Protection of Children consultation in three weeks' time. She said this was a high profile and continually evolving policy area where people held strong and sometimes opposing views. It would be important to continue to engage actively with stakeholders and to seek to manage expectations around Ofcom's role and powers. The Board noted the various positions taken by stakeholders and platforms.</p> <p>8. Melanie Dawes updated the Board on staffing matters relating to the roles of Finance Director and Chief Data Officer.</p> <p>9. Melanie Dawes discussed proposals relating to regulation of online advertising and noted that Ofcom's views would be expressed to the Government that week.</p>	

<p>10. The Board noted industry feedback on annual spectrum and licence fees and discussed Ofcom’s approach. Ofcom’s policy focused on ensuring spectrum was used efficiently and a substantial volume of work had been carried out to assess whether fees were the right model and the right level to achieve efficiency and encourage investment. Industry feedback formed part of this work and the issue would continue to be kept under review.</p> <p>11. It was noted that a paper would be coming to a future Board on the current position at Royal Mail and Ofcom’s powers in relation to the universal service obligation.</p> <p>12. The Board NOTED the paper.</p>	
<p>Item 5: Three-Year Business Plan 2025-28: process and update – paper 32(24)</p> <p>13. Yih-Choung Teh presented paper 32(24) on the development of the next three-year business plan. He said the current plan had been a good step forward for Ofcom and the new one would build on clear strategic choices with the addition of financial planning developed under a range of different funding scenarios. It was noted that the Board would have the opportunity to input into strategic choices at the July Board meeting and the October strategy day prior to approval in November.</p> <p>14. The Board noted that the funding scenarios should include substantial budget cuts in order to help crystallise decisions around priorities, critical functions and how Ofcom delivered statutory obligations most efficiently. It was noted that geopolitical uncertainty was likely to grow over the period of the next three-year plan and the plan would need to be able to adapt to this.</p> <p>15. The Board NOTED the paper.</p>	
<p>Item 6: Telecoms Access Review 2026 – Board paper 34(24)</p> <p>16. Selina Chadha presented paper 35(24) on the Telecoms Access Review 2026, which would set regulation underpinning telecoms markets from 2026-31. She said this was at an early stage and a paper with firmer proposals would be brought to the Board at a future date. Ofcom’s current strategy, set in 2021, had been intended to act as the first half of a ten-year approach and had been successful in delivering extensive rollout of fibre to consumers. The market was now in a period of some uncertainty but the proposed approach for 2026-31 represented a continuation of the current strategy with the objective of continuing to promote competition and commercial investment.</p> <p>17. The Board noted the more challenging commercial environment for investors compared with 2021, including higher interest rates and lower consumer take-up than anticipated leading to lower returns. Ensuring consumers had access to fibre remained a priority. Ofcom should consider scenarios where investment slowed significantly or stopped.</p> <p>18. The Board discussed outcomes for network competition and consumers in the event of failure of some altnets. It was noted that whilst promoting network competition was Ofcom’s primary aim, a return to traditional regulation of BT,</p>	

<p>such as cost-based price controls, remained as a backstop to protect consumers if necessary. Consumers would be protected from BT’s market power and fibre rollout had already reached 80%. Ofcom should give thought to remedies to encourage sustainable competition, though it was recognised that we could take steps and it may still not emerge or endure.</p> <p>19. The Board noted that in seeking to promote competition Ofcom needed also to have in mind the ten-year strategy set out in 2021, including its statements on the fair bet.</p> <p>20. The Board noted the importance of engaging with the devolved administrations on the need to consider a wide range of alternatives for rolling out broadband in hard-to-reach areas, including satellites and private networks.</p> <p>21. The Board noted challenges at the point of installation as barriers to consumers taking up FTTP. Ofcom should consider options to reduce these barriers.</p> <p>22. The Board NOTED the paper and that a further paper on this would be considered in Autumn.</p>	
<p>Item 7: Consultation on Ofcom’s Media Literacy Three-Year Strategy – Board paper 32(24)</p> <p>23. Yih-Choung Teh presented paper 32(24) on the proposed approach to the consultation on Ofcom’s three-year Media Literacy Strategy. He said Ofcom’s experience as the regulator for broadcasting and online safety made it well-placed to take forward media literacy and act as a catalyst to bring relevant stakeholders together. The strategy was the product of significant research and aimed to encourage platforms and others to consider their own contributions towards improving media literacy.</p> <p>24. The Board noted that the quarterly meeting of the media literacy advisory panel helped identify those professionals who would be qualified to take forward work on media literacy. It was noted that work was currently underway to work with mental health professionals in media literacy in an online safety context.</p> <p>25. It was noted that some platforms had indicated they were considering reducing investment in media literacy in anticipation of the costs of regulation under the online safety regime. Ofcom did not view this as an appropriate response, but equally did not have powers to require specific spend on this.</p> <p>26. It was noted that Ofcom had been evaluating media literacy initiatives to understand which had the greatest impact and to ensure that interventions were targeted in the areas of most need, for example areas with low general levels of education and internet take-up. There were no obligations on platforms to implement media literacy strategies and Ofcom’s role was to encourage best practice and facilitate improvement.</p>	<p>Corp Sec</p>

<p>27. It was agreed that it would be helpful for the Board to receive update papers for noting on a six-monthly basis on Ofcom’s activity to promote media literacy.</p> <p>28. The Board NOTED the proposed strategy, the identified risks and mitigations and the plan for publication and APPROVED delegated authority for Melanie Dawes and Yih-Choung Teh to sign-off the strategy consultation for publication.</p>	
<p>Item 8: Update and reflections from the new GD Broadcasting and Media</p> <p>29. Cristina Nicolotti Squires updated the Board on her initial reflections since joining Ofcom as the Group Director for Broadcasting and Media. She said she had identified two strands of work within the group to take forward. The first was BAU activity such as the Public Service Media (PSM) review, the BBC programme and broadcasting standards, with the second being work to ensure the group was fit for the future, including streamlining process, freeing up resource where possible and working closely with Online Safety where the groups intersected. Two substantive priorities were to ensure broadcast content continued to be sustained in a challenging business environment for broadcasters and to protect the impartiality of news.</p> <p>30. She said research on politicians as presenters would be published shortly. Alongside the research, Ofcom would be reminding broadcasters about the heightened impartiality rules that applied during general election periods, and the need to take particular care to ensure due impartiality if they were using politicians as presenters in those periods.</p> <p>31. It was noted that a response from Channel 4 on their proposals for reducing national and regional quotas as part of the relicence discussion was due shortly and the Board would be kept updated. It was noted that it may be helpful to hold a session on this with the Board members representing nations later in the spring.</p> <p>32. The Board NOTED the update.</p>	<p>Corp Sec</p>
<p>Item 9: Public Service Media Programme 2024 – Board paper 36(24)</p> <p>33. Siobhan Walsh presented paper 36(24) on the Public Service Media Programme for 2024. She said the programme was reviewed every five years and, with the current challenging economic landscape for public service broadcasters and the shift from linear to online viewing, the focus would be on promoting sustainability in the sector and supporting the provision of trusted and accurate news.</p> <p>34. The Board discussed the funding model for public service broadcasting, including the BBC, and noted that Ofcom was engaging with the Government on its review of the future funding of the BBC. Further government engagement on wider funding for public service broadcasting would be helpful, encompassing local news provision and the means of holding local public institutions to account. The Board recognised that the forthcoming</p>	

<p>periodic review and government Charter review would be focused on the future of the BBC.</p> <p>35. The Board discussed that it was important for audiences to be able to access accurate, impartial news even as they moved away from traditional broadcasters to online platforms for their news consumption.</p> <p>36. The Board NOTED the scope and timetable for the review of public service media.</p>	
<p>Item 10: Annual litigation review – Board paper 37(24)</p> <p>37. Martin Ballantyne presented paper 37(24) on litigation involving Ofcom over the previous year. He said there was an increasing trend of individuals or interest groups apparently seeking to use litigation (or the threat thereof) to push Ofcom towards their favoured policy position.</p> <p>38. The Board noted the difficulty of recovering fines from companies based outside the UK and the importance of being seen as able to enforce decisions.</p> <p>39. The Board discussed the ongoing cases and potential liabilities and NOTED the paper.</p>	
<p>Item 11: Election Committee Chair – Board paper 38(24)</p> <p>40. The Board APPROVED the appointment of Clive Jones as Chair of the Election Committee with immediate effect.</p>	
<p>Item 12: One Ofcom organisational priorities 2024/25 – Board paper 33(24)</p> <p>41. Melissa Tatton presented paper 33(24) on Ofcom’s organisational priorities for 2024/25 and related objectives and key results. She said each of the priorities would be coming to the Board separately over the next few months for more detailed discussion on their descriptions and measurements of success.</p> <p>42. The priorities for 2024/25 took the same format as last year, with strands on delivering the Plan of Work, transforming Ofcom through programmes on Data, Three Year Plan/Financial resilience, and Agility, as well as creating a fantastic place to work through the Diversity and Inclusion Strategy and the Career and Performance Management programme, with the completion of the new Pay Framework an important element of this.</p> <p>43. The Board discussed the priorities and noted the importance of clarifying how success would be evaluated and measured. The Agility programme was fairly difficult to measure but Ofcom would be taking a more consciously directive approach in 2024/25 on systems and practices to drive change.</p> <p>44. It was noted that the Pay Framework proposals would need careful management from all leaders in Ofcom and would follow the regular and consistent messaging about Ofcom’s flat cash budget.</p> <p>45. It was noted that it would be helpful to expand the key results for each objective to include more clearly the outcomes for each result where possible</p>	

<p>and this would be picked up when considering each of the individual objectives at future meetings.</p> <p>46. The Board APPROVED Ofcom’s organisational priorities for 2024-25 and related objectives and key results and NOTED the plan for further updates on each of these priorities at PMB, RAC, and Board over the next few months.</p>	
<p>Items 13-16: Information items</p> <p>47. The Board NOTED the following information items:</p> <ul style="list-style-type: none"> • Non-executive member updates – Board paper 39(24). • Monthly performance report – Board paper 40(24) • Board work programme – Board paper 41(24), and publications schedule – Board Paper 42(24) • Minutes of the Communications Consumer Panel of 15 February 2024 and the Risk and Audit Committee of 28 February 2024. 	
<p>Item 17: Any other business</p> <p>48. There was no other business.</p>	
<p>Item 18: Date of the next meeting</p> <p>49. The next scheduled Board meeting would be held on Wednesday 25 May 2024.</p> <p>50. The meeting concluded at 12.55.</p>	

Approved: _____
Chair