

**PUBLICATION MINUTES OF THE TWO HUNDRED AND NINETY-FOURTH MEETING OF
THE OFCOM BOARD HELD ON 18 MAY 2022
HYBRID MEETING HELD AT RIVERSIDE HOUSE 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 (Items 1 to 7 and via Teams)
Ben Verwaayen	Non-Executive Member

In attendance

Martin Ballantyne	General Counsel
Veronica Branton	Corporation Secretary
David Edwards	Committee Secretary (via Teams)
Sharon Malley	Governance Manager (observer) (via Teams)

Other Ofcom colleagues (via Teams)

David Clarkson	Director, Telecoms Competition (Item 5)
David Matthew	Economics Director (Item 5)
Yih-Choung Teh	Group Director, Strategy and Research (Items 6 and 8)
Yoon Chang	Director, Strategy and Policy (Item 6)
Rohit Goel	Analyst and Investor Relations Lead (Item 6)
Anil Patel	Principal, Strategy and Policy (Item 6)
Sachin Jogia	Chief Technology Officer (Items 6 and 7)
Gary Clemo	Director, Comms and Media Tech (Item 7)
Fred Langford	Director, Online Technology (Item 7)
Amy Jordan	Director, Technology Policy (Item 7)
Iqbal Marikkar	Director, Corporate Strategy (Item 8)
Kate Biggs	Director, Broadcast Policy and Commercial Broadcast (Item 9)
Hannah Carter	Legal Adviser (Item 9)
Richard Orpin	Principal Policy Manager (Item 9)

Item 1: Declaration of members' interests – oral

1. No new declarations of interest were notified.

Item 2: Chair's introduction

2. Michael Grade welcomed all to this his first Board meeting as Chair since formally joining Ofcom on 1 May 2022.

Item 3: Minutes of the meeting held on 6 April 2022 and matters arising – Board minutes 293(22) and note of action points

3. The minutes of the Ofcom Board meeting held on 6 April 2022 were **APPROVED** for signature by the Deputy Chair as an accurate record. Maggie Carver had chaired that meeting in her capacity as Interim Chair.
4. 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**.

Item 4: Chief Executive's report – Board Paper 41(22)

5. Melanie Dawes presented her report on recent developments. She updated the board on various matters including progress on legislation affecting Ofcom, the DRCF workplan for 2022/23, broadcast licencing, end-of-contract notifications in telecoms, online safety and amendments to the Bill, and the implications of the live streaming of the mass shooting in Buffalo.
6. The Board **NOTED** the oral report from the Chief Executive and Board Paper 41(22).

Item 5: Developments in fixed markets, including scenario planning – Board Paper 42(22)

7. Lindsey Fussell introduced the item which covered: (i) progress in relation to the Wholesale Fixed Telecommunications Market Review (WFTMR) 2021-26 Statement aims and objectives; discussion of (ii) scenario planning; (iii) the possibility of altnet failure and Ofcom's powers to get customers reconnected; and (iv) PSTN switch-off and migration to IP, in a context of fibre take-up.
8. The Board discussed the paper and raised various matters, including steps that would be required to protect consumers in the event of operator failure, consumer take-up of fibre and whether operators were encouraging take-up, market scenarios and the cost of capital for market players, and investor sentiment.
9. The Board:
- **NOTED** the update on the deployment of gigabit capable networks, future build plans and investor sentiment since publication of the WFTMR 2021-26 Statement on 18 March 2021.
 - **NOTED** the Fixed Telecoms scenario planning work recently undertaken by Ofcom.
 - **NOTED** the work undertaken on altnet failure/supplier of last resort as requested by the Board, subsequent to a previous paper at the November 2021 Board meeting.
 - **NOTED** that BT Consumer had paused its plans to proactively migrate customers to digital IP Voice services, whilst it addressed consumer issues.
 - **NOTED** Board Paper 42(22).

Item 6: Market Performance of main industry stakeholders – Board Paper 43(22)

10. Yih-Choung Teh introduced the paper which focussed on UK listed companies, reported movements in share prices and on some common themes, such as services moving online, greater competition from global players and tech developments, challenges driving strategic

approaches and a rise in activist investors. Much had changed since the Board discussion in 2019.

11. The Board discussed the paper and raised various matters, including the cost of regulation and Ofcom's approach, the overall scope and impact of regulation across different sectors, and how the wider economic environment would impact growth, wider policy innovation and regulation.

12. Members **NOTED** Board Paper 43(22).

Item 7: Technology Group long-term vision and structure – Board Paper 44(22)

13. Sachin Jogia introduced this item and explained the thinking behind his approach to grow and consolidate a renamed Technology, Data and Innovation (TDI) Group. This would involve building tech to tech relationships, between Ofcom tech specialists and their peers amongst external stakeholders. It would be about making stakeholders and platforms accountable and building bridges both to understand what they are doing and to enhance the credibility of the Group. In the short term this meant creating a team that understood their sectors, ensuring broader Ofcom colleagues developed a base knowledge of tech and data skills, and ensuring the delivery of OS outcomes.

14. The Board discussed the paper and raised various matters, including Ofcom's ambitions to keep up to speed with technology changes in its sectors, the need to build collaborative relationships with stakeholders while maintaining Ofcom's supervisory role, and the aim for as much relevant data as possible to be shared with Ofcom on the assurance that commercial data would not be shared more widely.

15. The TDI Group would more than double in size with decisions being made with better tech understanding. Given that Ofcom's current and future remit would not be confined to OS, the TDI Group would continue to provide technology expertise in the other areas of Ofcom's work. In addition, the Data Innovation Hub would continue to ensure that Ofcom got the most from its data resources. The Three-Year Plan being developed for the TDI Group needed to be embedded in the organisation-wide Three-Year Plan.

16. The Board:

- **NOTED** the proposed vision and structure of the TDI Group, set out in Board Paper 44(22) and orally.
- **NOTED** the intention to return to the Board later in 2022 with a Three-Year Plan for the TDI Group, which would further outline the Group's future workplan, strategic objectives, and resourcing requirements.

Item 8: Review of delivery against the Plan of Work – Board Paper 45(22)

17. Yih-Choung Teh introduced Board Paper 45(22) which provided a summary of delivery against last year's Plan of Work, including commentary on strategic outcomes. There had been major deliverables in all areas of work, planned and unplanned, the latter including the Bilsdale transmitter fire, the Red Bee incident leading to a loss of Channel 4 access services and the impact of recent storms. There had been activity to prepare for new duties and emerging work related to security regulations, OS and the Digital Regulation Cooperation Forum. It had also

been a period of internal transformation with the establishment of the Manchester office and the introduction of Workday.

18. There was brief discussion about forecasting timing of deliverables, which could sometimes be optimistic. It was not always possible to determine what would arise in the course of the year and unplanned work could take up bandwidth. It was confirmed that TDI Group planning would be an important part of the Three-Year Plan. The Chair and Deputy Chair recorded their thanks to colleagues across the organisation for what had been achieved during 2021/22.

19. The Board:

- **NOTED** the delivery of the Plan of Work 2021/22, and associated outcomes.
- **NOTED** the summary overview of Ofcom's activities and delivery for the 2021/22 financial year across our policy, programmatic, and operational work in Board Paper 45(22).

Item 9: Broadcasting White Paper and Media Bill – Board Paper 46(22)

20. Kevin Bakhurst introduced this item. The timing of the publication of the White Paper had been driven by the Government's decision to privatise Channel 4. It was expected that a Media Bill would be introduced in July. The Bill would overlap with the relicensing process for Channel 3 and 5. The Bill was expected to introduce new duties to enable prominence for PSB on-demand services and would give Ofcom the powers to draft a 'VOD Code' similar to the existing Broadcasting Code. All of this work would have resource implications for Ofcom.

21. The Board discussed the papers and raised various matters, including the impact on Ofcom's role and the creative economy on the potential privatisation of Channel 4 and prominence for PSB on-demand services.

22. The Board:

- **NOTED** that the Government had set out its vision for the broadcasting sector in the White Paper 'Up Next', published on 28 April.
- **NOTED** that the Queen's speech on 10 May had confirmed that the Government would legislate in the third session of the current Parliament for a new Media Bill.

Item 10: Report from the Chair of the Content Board – Oral

23. The Interim Chair of the Content Board provided an update on recent Content Board activity, including details of matters discussed at the Content Board meeting on 3 May 2022. He commented that with so much work going on in the content space, the ordering of Content Board agenda items around main themes or issues could be beneficial.

Item 11: Report from the Chair of the Risk and Audit Committee – Oral

24. The Chair of the Risk and Audit Committee (RAC) provided an update on matters discussed at the RAC meeting on 11 May 2022 which had focussed on reviewing the nearly complete Annual Accounts and the draft Annual Report.

Item 12: Information Items

25. There was discussion of the mechanism to allow Ofcom to recover the costs of regulation in the implementation of new HFSS restrictions. The Government had committed to providing additional funding to support this work.

26. The Board **NOTED** the following information items:

- Executive Director updates – Board Paper 47(22)
- Reports from Non-Executive Members – Board Paper 48(22)
- Online Nation – Board Paper 49(22)
- Enforcement Team update – Board Paper 50(22)
- Quarterly performance report – Board Paper 51(22)
- Implementing new restrictions on HSFF – Board Paper 52(22)
- Latest Connected Working data – Board Paper 53(22)
- Board work programme/forward agendas – Board Paper 54(22)
- Publications Schedule – Board Paper 55(22)
- Minutes of the Advisory Committee for Scotland (meeting held on 15 February 2022)
- Minutes of the Advisory Committee for Northern Ireland (meeting held on 1 March 2022)
- Minutes of the Advisory Committee for England (meeting held on 3 March 2022)
- Minutes of the Advisory Committee for Wales (meeting held on 22 March 2022)
- Minutes of the Communications Consumer Panel (meeting held on 17 March 2022)

Item 13: Any Other Business

27. Content Board: The Board **AGREED** to appoint Maggie Carver as Chair of the Content Board, thanked Bob Downes for acting as interim chair (he would revert to being a member) and David Jones for acting as an interim member.

Item 14: Date of the Next Meeting

28. The next scheduled Board meeting would be held on Wednesday, 15 June 2022.

Approved: _____
Chair