

**PUBLICATION MINUTES OF THE TWO HUNDRED AND NINETY-EIGHTH MEETING OF
THE OFCOM BOARD HELD ON 12 OCTOBER 2022
MEETING HELD AT GLAZIERS HALL, SE1 9DD, 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
Will Harding	Non-Executive Member
David Jones	Non-Executive Member
Graham Mather	Non-Executive Member (via Teams)
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 Corporate Director (items 6 and 8)
Kerri-Ann O’Neill	People and Transformation Director (item 6)
Mark Bunting	Online Policy, VSP Director (item 6)
Siobhan Walsh	Broadcast Policy and BBC Director (item 7) (via Teams)
Adam Baxter	Standards and Audience Protection Director (item 7) (via Teams)
Ali-Abbas Ali	Broadcast Competition Director (item 7) (via Teams)
Curtis Juman	Finance Director (item 8)
Glenn Preston	Scotland Director (item 8) (via Teams)

	Action
<p>Item 1: Declaration of members’ interests</p> <p>1. No new interests were declared.</p> <p>2. The Chair welcomed Will Harding to his first Ofcom Board meeting.</p>	
<p>Item 2: Minutes of the meeting held on 21 September 2022 and matters arising – Board minutes 297(22) and note of action points</p> <p>3. The minutes of the Ofcom Board meeting held on 21 September 2022 were APPROVED for signature by the Chair as an accurate record, subject to an amendment in paragraph 34.</p> <p>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.</p>	

	Action
<p>Item 3: Chair’s introduction</p> <p>5. The Chair updated the Board on his recent meetings, including with the interim Chair of the FCA. He and the Chief Executive had met Lord Clement-Jones and had held a productive discussion on online safety and proposals for handling public complaints.</p> <p>6. The Chair said that an executive search firm had been appointed to support the recruitment of Channel 4 non-executive directors.</p>	
<p>Item 4: Chief Executive’s report – Board paper 102(22)</p> <p>7. Melanie Dawes presented her report and noted the progress that had been made on digital markets and net neutrality. She updated the Board on merger activity in the telecommunications market and said economists were developing Ofcom’s positions on the potential deals. It was agreed that any view or position statement on any potential merger would be brought to the Ofcom Board before being made public.</p> <p>8. The Board discussed the telecoms market and the potential future strategies of telecoms operators. The Board noted the risks to investment should the telecoms sector begin to carry very high levels of debt following merger activity. The Board further noted the need to maintain regulatory certainty as set out in Ofcom’s 10-year strategy while remaining responsive to changes in the market. It was agreed that an update on Ofcom’s paper on telecoms competition issues would be brought to a future Board.</p> <p>9. The Board NOTED the report from the Chief Executive and Board Paper 102(22).</p>	
<p>Item 5: Report from the Chair of the Risk and Audit Committee</p> <p>10. Angela Dean updated the Board on matters discussed at the Risk and Audit Committee on 28 September 2022. She said an internal audit report on Broadcasting Complaints Management had been given a Limited Assurance rating, largely as a result of failure to delete complainant records from the Salesforce IT system after the five-year defined retention period. A project was now underway to address this which should be completed by the end of March 2023. Legal advice had been received that a report to the ICO was not currently required as there had been no breach of any individual’s personal data. The Committee had also received an internal audit report on Third Party Contract Management, which had been given a Moderate rating.</p> <p>11. Angela Dean reported that the Committee had made some changes to the proposed internal audit programme for the second half of the year and audits would now take place on Business Continuity and Disaster Recovery, Recruitment, and Spectrum & Technology: System Security. The Committee had agreed one change to the strategic risk register, with a lowering of the risk score relating to spectrum following review. The Committee had received a deep dive on the Telecoms Security Regime.</p> <p>12. The Board NOTED the report from the Chair of the Risk and Audit Committee.</p>	

	Action
<p>Item 6: Online safety – organisation blueprint and readiness update – Board paper 103(22)</p> <p>13. Mark Bunting and Kerri-Ann O’Neill introduced paper 103(22) on preparations for operationalising the online safety regime. The structure of the new Online Safety group would be divided into sub-groups for strategy and resource planning, codes, harms and rights, and supervision and enforcement. The structure had been established and was being developed with collaboration across the organisation, particularly teams involved with policy and enforcement.</p> <p>14. The direct report structure had been established and seven Director roles had been approved at the Senior Talent Committee with work in hand to fill these positions by the end of the financial year. It was important that activity on organisational preparedness continued in step with policy development.</p> <p>15. The Board was pleased by the progress that had been made and noted the importance of maintaining communications with key stakeholders, including relevant ministers and shadow ministers, and highlighted the importance of setting out metrics to enable measurement of performance once the new regime was live.</p> <p>16. The Board noted that the programme should identify the resilience of the ICT platform as a possible risk as it formed a critical part of the infrastructure. In addition, if feasible, it would be helpful if data could be collected from platforms in a way that enabled it to be compared.</p> <p>17. The Board discussed the need for a process for handing over to law enforcement agencies any potential criminal material identified under the regime.</p> <p>18. The Board NOTED:</p> <ul style="list-style-type: none"> • progress made in designing the organisation and operating model for the Online Safety (OS) regime; • outline plans for further detailed design and implementation of the organisational and operational structures required for day one of the live regime; and • that a further checkpoint with the Board was proposed for February 2023. 	
<p>Item 7: Update on BBC programme of work including BBC Annual Report – Board paper 104(22)</p> <p>19. Siobhan Walsh presented paper 104(22) on Ofcom’s BBC programme of work, including the operating licence and proposals to merge news services and reduce national and regional quotas, the digital first strategy and increased archive content on iPlayer, and Ofcom’s Annual Report on the BBC. She updated the Board on responses to the consultation on the operating licence proposals.</p> <p>20. The Board noted that the proposal to include more archive material on the iPlayer related to the BBC’s own content.</p> <p>21. The Board noted that the BBC needed to improve its engagement with lower socio-economic audiences in order to continue to provide a universal service. BBC Scotland</p>	

	Action
<p>had had some success in this area and the BBC should look at whether this approach could be taken forward in other areas of the corporation.</p> <p>22. The Board NOTED the update on the BBC programme of work, including the key strategic messages and the positioning of this year's annual report.</p>	
<p>Item 8: Workplace strategy – Edinburgh office recommendations – Board paper 105(22)</p> <p>23. Melissa Tatton introduced paper 105(22) on a proposal to exercise a break clause in the lease for the current Edinburgh premises and enter into a new lease for an alternative premises.</p> <p>24. The Board discussed the proposal and noted that the new premises would be larger than had initially been sought. Melissa Tatton said the Edinburgh property market was very competitive and premises of exactly the right size were not available. Mitigations had been put in place in the form of an ability to sublet and an early break clause. There was also flexibility in the overall portfolio with options being considered for the Manchester premises and the reduction in London with the subletting of the fourth floor. It was noted that the overall savings in estate costs after the lease for Quartermile 1 and sub-letting the 4th Floor at Riverside House was £1.5m (a net reduction in the estate of c10,000 square feet).</p> <p>25. The Board APPROVED:</p> <ul style="list-style-type: none"> • Triggering an early release break clause in November 2022 on the lease for the current Edinburgh office; • Acquiring a lease for a new site in Edinburgh at Quartermile 1 to accommodate growth in numbers with mitigations in the event of under-occupancy; and • Delegating lease negotiations to the Chief Operating Officer. <p>26. The Board NOTED the progress on Riverside House subletting.</p>	
<p>Item 9: Annual Health and Safety update – Board paper 106(22)</p> <p>27. The Board APPROVED the Annual Health and Safety report providing oversight of work carried out across Ofcom's Health and Safety programme over the last year.</p>	
<p>Item 14: Information items</p> <p>28. The Board NOTED the following information items:</p> <ul style="list-style-type: none"> • Executive Director updates – Board paper 107(22). David Jones updated the Board on his evidence to the Welsh Assembly on regulation of comms and broadcasting. • Monthly performance update – Board paper 108(22) • Latest Connected Working data – Board paper 109(22) 	

	Action
<ul style="list-style-type: none"> • Board work programme – Board paper 110(22), and publications schedule – Board Paper 111(22) • Minutes of the Communications Consumer Panel (20 July 2022) and Content Board (20 September 2022) 	
<p>Item 15: Any other business</p> <p>29. Lindsey Fussell said that a campaign on mobile phone contracting, including social tariffs, was being planned as part of work to help consumers with the cost of living pressures.</p>	
<p>Item 16: Date of the next meeting</p> <p>30. The next scheduled Board meeting would be held on Wednesday 9 November 2022.</p> <p>31. The meeting concluded at 10.35 am and was followed by the Board Strategy Day.</p>	

Approved: _____
Chair