

**PUBLICATION MINUTES OF THE TWO HUNDRED AND NINETY-SECOND MEETING OF
THE OFCOM BOARD HELD ON 9 MARCH 2022
HYBRID MEETING HELD AT RIVERSIDE HOUSE AND VIA MICROSOFT TEAMS**

Present

Maggie Carver	Interim Chair
Kevin Bakhurst	Executive Member and Group Director, Broadcasting & Online Content
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 (via Teams)
Ben Verwaayen	Non-Executive Member

In attendance

Martin Ballantyne	General Counsel
Jacqui Gregory	Corporation Secretary
David Edwards	Committee Secretary (via Teams)

Other Ofcom colleagues (via Teams)

Yih-Choung Teh (items 8, 9 & 10)
 Iqbal Marrikar (item 8)
 Melissa Tatton (items 9 & 11)
 Curtis Juman (item 9)
 Adam Baxter (item 10)
 Nuala Cosgrove (item 10)
 Ali Marsden (item 10)
 Sian Bundred (item 10)
 Andrew Lynex (item 11)
 Mark Bunting (item 11)
 Kate Davies (items 11 & 12)
 Gill Whitehead (item 12)
 Chia Seiler (item 12)

Item 1: Declaration of Members' Interests – oral

1. No new declarations of interest were notified.

Item 2: Chair's Report

2. The Chair updated the Board on the following:
 - The Chair had held recent meetings with stakeholders, including the chair of Royal Mail and the interim chair of Channel 4.
 - Following the Board's approval to recommend two appointments to the Channel 4 Board (the Chair and a further Board Member appointment) the Chair had written to the Secretary of State seeking approval and her response was awaited.

- Progress with Ofcom non-executive Board member appointments, as set out in the action points note provided ahead of the meeting, including a new Board member for Northern Ireland, a new broadcasting Board member and the reappointment of a current Board member.

Item 3: Minutes of the meeting held on 9 February 2022 and Matters Arising – Board Minutes 291(21) and Note of Action Points

3. The minutes of the Ofcom Board meeting held on 9 February 2022 were **APPROVED** for signature by the Chair as an accurate record.
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 duly **NOTED**.
5. In relation to the Bilsdale mast fire, Kevin Bakhurst confirmed that Ofcom had not yet received the report Arqiva had commissioned Deloitte to produce. Once received this would be shared with Board Members.

Item 4: Chief Executive's Report – Board Paper 14(22)

6. Melanie Dawes presented her report on recent developments in the sector, including telecoms, online safety and the impact of the events in Ukraine. She also updated the Board on corporate matters including progress with the new performance management system and recruitment of a new Spectrum Group director.
7. The Board **NOTED** the oral report from the Chief Executive and Board Paper 14(22).

Item 5: Executive Director Updates – oral

8. Kevin Bakhurst and Martin Ballantyne briefed the Board on the multiple and expedited investigations into News programmes broadcast on RT (29 investigations were underway at the time of the Board meeting). The Board discussed this and related matters.
9. Lindsey Fussell reported that the CMA had published its findings and decision with respect to the Cellnex acquisition of CK Hutchison's passive telecoms infrastructure assets. The CMA had decided that the acquisition could proceed, provided that certain Cellnex divestitures took place. It was further reported that the Government had published its consultation on telecoms security, including its proposal for new regulations and a code of practice, and that this was followed by the publication of Ofcom's consultation on its general policy on ensuring compliance with security duties.
10. The Board **NOTED** the updates presented orally at the meeting.

Item 6: Report from the Chair of the Risk and Audit Committee – oral

Item 6.1: Report from the Chair of the Risk and Audit Committee - oral

11. Angela Dean reported on matters discussed at the meeting held on 2 March 2022. The Committee had received two reports from Deloitte, one on Spectrum Licensing with an overall rating of moderate assurance, and the second on Corporate Governance with a rating of substantial assurance. The Committee had also received an update on the new People and

Finance System, which had gone live in December 2021. The NAO had reported and had completed its interim audit on the old SAP-based system and would proceed to audit the new Workday system. Cyber had been the focus of the security item, with increased cyber and phishing attacks being noted and actions including a cut-back in the number of ICT administrator accounts.

12. The Board **NOTED** the oral update provided by Angela Dean on the Risk and Audit Committee.

Item 6.2: Review of Risk Appetite Statements – Board Paper 15(22)

13. Angela Dean referred to the Risk Appetite Statements, which had been recommended for approval by the Board by the Risk & Audit Committee on 2 March 2022. She drew the Board's attention to discussions about the risk to Ofcom's reputation in relation to its independence and about Cyber and whether it was appropriate for Ofcom to accept higher risk or whether it should act to fortify itself further.

14. The Board:

- **NOTED** that, following discussion at the Risk and Audit Committee on 2 March 2022, the approach to Independence Risk had been changed, with the target scoring aligned with Minimal Risk Appetite;
- **NOTED** that, following agreement at the November 2021 PMB meeting, Cyber had been updated from Averse/Minimal to Cautious/Open and there was no change to the Online Harms risk; and
- **AGREED** the revised Risk Appetite Statements set out in Annex 1 to Board Paper 15(22).

Item 6.3: Strategic Risk Register – Board Paper 16(22)

15. The Strategic Risk Register, which had been circulated as Board Paper 16(22), had been reviewed by the Risk and Audit Committee at its meeting on 2 March 2022. The Board **NOTED** the Strategic Risk Register, as set out in the paper.

16. Melanie Dawes conveyed the Executive's thanks to Angela for her engagement and hard work as Chair of the Risk and Audit Committee and in particular on Ofcom's Risk Appetite Statements and Strategic Risk Register.

Item 7: Reports from Non-Executive Members – oral

17. Angela Dean reported that she had attended a meeting of the Advisory Committee for England on 3 March 2022. The meeting had a three-part theme of climate change, sustainability and resilience and included discussions with Albert (Sustainable Production) and Sky. At the meeting, Ofcom's process for the reappointment of Advisory Committee Members had been raised. It was noted that the intention was to circulate a process note to the Chairs of the Advisory Committees on Ofcom's approach to reappointments and that, in summary, Ofcom followed the same best practice as the Office of the Commissioner for Public Appointments and the Government guidelines. The Chair requested that the two Advisory Committee for England reappointments be paused pending further discussions.

18. Bob Downes, in his capacity as Interim Chair of the Content Board, reported that the Board approved candidate would not be taking up his role as the Content Board Member for Northern Ireland due to a conflict of interest that it had not been possible to resolve. Other options were currently being considered.

19. Bob Downes and David Jones referred briefly to matters of Ofcom interest in Scotland, Northern Ireland and Wales.

20. Graham Mather, as the Board Member designated as being responsible for consumer interests, highlighted the convoluted processes that consumers sometimes went through to obtain refunds. This had been highlighted to Rick Hill, Chairman of the Communications Consumer Panel, and the Panel would be looking into this matter further.

21. The Board **NOTED** the oral reports from Non-Executive Members.

Item 8: Ofcom Plan of Work 2022/23 – Board Paper 17(22)

22. Board Paper 17(22) set out the development of the Plan of Work (PoW) 2022/23; its links with longer-term planning, i.e. the Three-Year Plan (3YP); and summary details of responses to the recent PoW consultation. It was noted that the strategic themes had evolved since last year's PoW, as discussed at the Board's meeting in November 2021. Annex 1 of the paper set out how the most significant work would change from this year to next within those themes. In addition, preparation for new duties relating to online safety was an area of focus in the coming year. Another consideration was the wider context beyond the organisation, including the recent situation that had developed in Ukraine which was expected to exacerbate pressure on the cost of living.

23. The Board **NOTED** Board Paper 17(22), **APPROVED** the Plan of Work 2022/23 and **AGREED** to **DELEGATE** final sign-off to Melanie Dawes and Yih-Choung Teh.

Item 9: Draft budget for 2022/23 – Board Paper 18(22)

24. Board Paper 18(22) set out Ofcom's proposed budget for 2022/23 which would see a material increase in budget compared with previous years. This was driven by extra funding for new duties, in particular preparing for the implementation of the new Online Safety (OS) regime. Detailed OS planning and allocation was being finalised, whilst some initial set-up costs would fall away. The budget covered a 2022 pay award (including the impact of the National Insurance rate increase). Details of changes to stakeholder tariffs and in key activities by Group had been provided. As noted earlier in the meeting under the Plan of Work item, the process of developing the 3 Year Plan was underway and any policy choices would be taken into account in quarterly re-forecasting in 2022/23, once the 3 Year Plan had been finalised. In addition, Ofcom's estate strategy would come to the Board in June 2022 as an update, with a final decision paper due later in the year.

25. The Board:

- **APPROVED** the proposed 2022/23 budget, within the context of the associated paper on the Plan of Work and set out in Board Paper (18(22));
- **NOTED** the associated stakeholder tariffs;

- **NOTED** that the OS Team would return to the Board with the OS budget allocations in May 2022; and
- **NOTED** that the budget would work in tandem with the 3 Year Plan for future years.

Item 10: Options for the handling of Broadcasting Complaints – Board Paper 19(22)

26. Kevin Bakhurst introduced this item. Board Paper 19(22) set out the various regulatory standards rules that applied across different services, such as broadcast and VOD; the current challenges and issues Ofcom was facing as it carried out its statutory duties on broadcast standards and how Ofcom was meeting those challenges in the short-term; and possible future options being explored to tackle those challenges in both the shorter and longer-term.

27. The Board **NOTED** the contents of Board Paper 19(22), which set out key the challenges surrounding the handling of broadcast complaints and the evolving landscape of content standards regulation.

Item 11: Online Safety – Board paper 20(22)

28. Kevin Bakhurst introduced this item and explained that preparations to anticipate regulation of online safety (OS) were now ramping-up. A new management team was in place for the delivery phase and meeting on a weekly basis.

29. The Board was taken through the outcomes that the team expected to achieve in the current year, now organised as seven refreshed priorities for the programme during 2022 (these replaced what were five Focus Areas and which had previously been discussed with the Board). These were (i) the parliamentary process and its successful conclusion; (ii) preparing platforms for regulation following Royal Assent of the legislation; (iii) getting ready to consult, on strategy, risk assessment and codes; (iv) developing and telling a strong external story about Ofcom's approach; (v) development and launch of operational and organisational structures; (vi) getting technology, data systems and metrics in place for Year 1; and (vii) demonstrating Ofcom's impact in the OS space through the test-bed of existing regulation of Video-Sharing Platforms.

30. The Board **NOTED** the seven priority areas for preparation of the Online Safety regime and the main outcomes targeted for 2022, as outlined in Board Paper 20(22).

Item 12: Digital Regulation Cooperation Forum – Board paper 21(22)

31. The Board was updated on the work of the Digital Regulation Cooperation Forum (DRCF), with Ofcom, the CMA, the ICO and the FCA having come together to establish the Forum.

32. An annual report on delivery against the DRCF 2021-22 workplan would be published alongside the Workplan for 2022-23 and the Chair commented that the Board would welcome sight of this when it was published in April 2022.

33. The Board:

- **NOTED** the content of Board Paper 21(22) which outlined the priorities for the work of the DRCF;
- **NOTED** the overall shape of the plan of work for the DRCF for 2022-23; and,

- **NOTED** the update on progress against the DRCF Plan of Work for 2021-22 and related developments in Government and Parliament.

Item 13: Board & Committee Evaluation Review Outcomes 2021/22 – Board Paper 22(22)

34. Each year Ofcom conducted a review of the Board and Board Committee performance and effectiveness. Outcomes had been provided to the Board in February 2022 and Board Paper 22(22) now covered proposals and actions to address those outcomes.

35. The paper was self-explanatory but one action was highlighted that involved restructuring Board agendas by moving the Executive Director Updates and the Reports from Non-Executive Members towards the end of meetings, as items that were for information with little discussion anticipated (short narrative summaries would be sought before the Board meeting). It was confirmed that the Chief Executive's Report and the periodic report from the Chair of the Risk and Audit Committee would retain their early slots in agendas. The Chair commented that it was worth trialling this new arrangement, in particular, because it would free-up time earlier in the meetings for substantive Board business.

36. The Board:

- **APPROVED** proposals for addressing the outcomes arising from the externally facilitated Board/Committee Evaluation Review, as set out in Board Paper 22(22), undertaken in December 2021/January 2022, and as set out in the Annex to the paper; and
- **NOTED** that, subject to the above, an update on status against the identified actions, as set out in the paper, would be presented to the Board in the Autumn.

Item 14: Appointment of a Member of the Advisory Committee for Scotland – Board Paper 23(22)

37. The Board **APPROVED** the reappointment of Stephen Spiers to the Advisory Committee for Scotland for a further two year-term from 1 May 2022 to 30 April 2024.

Item 17: Information Items

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

- Finance Report – Board Paper 24(22)
- Board Work Programme/Forward Agendas – Board Paper 25(22)
- Publications Schedule – Board Paper 26(22)
- Minutes of the Communications Consumer Panel/ACOD (meeting held on 20 January 2022)
- Minutes of the Content Board (meeting held on 25 January 2022)

Item 18: Any Other Business

39. Jacqui Gregory would be stepping down as Corporation Secretary at the end of the month and this was her last Board meeting in that role. On behalf of the Board, Maggie Carver thanked Jacqui for her outstanding contribution to Ofcom and her work with the Board.

Item 19: Date of the Next Meeting

40. The next scheduled Board meeting would be held on Wednesday, 6 April 2022.

Approved: _____

Interim Chair