

Note of the Ofcom Board held on 25 September 2024

Members were welcomed to the 317th meeting of the Ofcom Board. In addition to Board members, Martin Ballantyne (General Counsel), Veronica Branton (Corporation Secretary), Francesca Carter (Head of Governance) and Sharon Malley (Governance Manager) attended throughout.

Declaration of members' interests

1. No new interests were declared.

Minutes of the meeting held on 17 July 2024 and matters arising

2. The minutes of the Ofcom Board meeting held on 17 July 2024 were approved for signature by the Chair as an accurate record, subject to minor corrections.
3. A summary of progress against action points was noted.

Chair's report

4. The Chair updated the Board on his activities, and noted that Ben Verwaayen's term on the Ofcom Board had been extended to the end of 2025, and that the Government was working on other Board vacancies.
5. He said he and the CEO had had a positive meeting with Lisa Nandy, the new Secretary of State for Culture, Media and Sport, and had discussed her priorities.
6. The Board noted the report.

Chief Executive's report

7. Melanie Dawes presented a paper on her activities. She said in addition to the meeting with Lisa Nandy she had held constructive meetings with several other ministers. Media and political commentary had focussed on the role played by social media in the recent civil disorder. During August, Ofcom had set out its role on misinformation and disinformation and had written an open letter to the industry reminding them of their forthcoming obligations to have systems and processes in place to tackle illegal content such as illegal hate or incitement to violence.
8. The Board discussed developments in the telecoms market. The CMA had published its provisional findings on the merger between Three and Vodafone and had indicated that they would consider remedies to address the substantial lessening of competition they had provisionally identified, and that the remedies would be likely to involve Ofcom.
9. The Board noted that the Sky-CityFibre deal was predicated on reaching 8m homes, which would need to include acquisition as well as new build, and that the market may be improved by some

consolidation. It remained to be seen whether the change of BT shareholding would lead to any change of strategy. The forthcoming International Investment Summit should shed some light on the government's view on foreign investments in companies such as BT. The Board discussed the implications for consumers of the changes in the telecoms market, including on fibre rollout and network coverage.

10. Melanie Dawes said the Channel 5 and Channel 3 licences had been concluded and the Channel 4 licence was scheduled for discussion later in the meeting. The first report to Government on the implementation of the Telecoms Security Act was due to be delivered soon. On Post, Lindsey Fussell had met the relevant minister to discuss the future of Royal Mail. The Broadcasting team was focused largely on implementing the Media Act and starting the Public Service Media Review. An update on the BBC would come to the next Board meeting and the BBC Charter renewal would begin in 2025.
11. Online safety was progressing well with plans for enforcement being prepared. Alongside implementation of the Codes Ofcom would also need to consider the process of keeping them updated. Ofcom needed to stay on top of comms and stakeholder engagement around online safety as the regime bedded in. It would be helpful if officials in the education and health departments were to participate more in the media literacy aspects of online safety.
12. Melanie Dawes updated the Board on Ofcom's duties in respect of coroner's inquests including responding to recommendations in several Prevention of Future Deaths reports and receiving the first Schedule 5 notice. The importance of this work was noted, as was the clear process for dealing with these requests, led by the Corporation Secretary.
13. The Board noted the paper.

Report from the Chair of the Risk and Audit Committee and Strategic Risk Register

14. Angela Dean updated the Board on the meeting of the Risk and Audit Committee held on 18 September 2024. She said the Risk and Audit Committee had discussed a proposed change to the level of the People & Culture risk from Medium-High to Medium and was now recommending this change to the Board in light of certain policies and procedures that were now in place. The Committee had been reassured to note the encouraging level of discussion of strategic risk: the executive had considered whether to reduce the risk level further but had concluded that Medium was the appropriate level given the continued uncertainties around recruitment in specialist and technical areas.
15. The Board approved the reduction of the People & Culture risk level from Medium-High to Medium.
16. Angela Dean said the Committee had reviewed the first draft of the new regulatory Group Level risk registers and had noted they would be moderated by the executive to ensure there was consistency across the groups. The Committee had discussed online safety fees and the risks around them.
17. The Committee had discussed an internal audit readiness report on colleague wellbeing, which had received an assurance level of Amber. The Committee had noted that the number of

colleagues who were at risk of viewing distressing material was higher than expected and work was in hand on taking a more strategic approach to this to minimise the numbers.

18. The Committee had reviewed the internal audit plan for the second half of 24/25 and had approved an audit on Information and Data Management. It had not approved the proposed audit on Online Safety Governance and Effectiveness on the basis that the team would be stretched over the coming period and the audit would not be beneficial at this stage. Discussions were taking place on which of the audits on the reserve list should be brought forward.
19. The Board noted the update.

Spectrum

20. David Willis presented papers on the Space Spectrum programme and a Spectrum Group update. The Board discussed the Ofcom Space strategy and noted the dynamism of the satellite services sector and the potential for competition risks with SpaceX operating the majority of active satellites and only one likely new entrant in the Low Earth Orbit market in the near future. China's plans were unclear at present. The main driver of change in the market currently was SpaceX.
21. The overview emphasised how Satellite technology could enable broadband connections for consumers but also supported lunar communications, communications between satellites, broadcast and TV services and significant military applications. Developments in technology meant that higher frequencies were becoming more usable and Ofcom was working on how to make these available to support both satellite terminals and satellite gateways. SpaceX was expanding their gateway sites to meet growing demand. However this growth was becoming spectrum-limited as securing additional sites for gateways took time and could be challenging.
22. It was noted that the UK and European regulatory frameworks did not currently have a mechanism for directly managing satellite downlink transmissions. The UK regulatory framework was tied to the management of transmitting radio devices but did not apply to objects outside the territory, including in space. In the absence of such a mechanism, Ofcom was currently using the network licences for satellite terminals to impose licence obligations around ensuring there was appropriate co-ordination of satellite transmissions into the UK. Other jurisdictions, including the US, Canada and Australia, took a more direct approach using market access or mandatory satellite licensing. The Board discussed how the ITU was involved in resolving disputes, and the incentives for good behaviour and generally good compliance for operating satellites among countries, even those that were geopolitical foes, were highlighted.
23. The Board discussed 'direct to device' services, which allowed the connection of smartphones to emergency services and text messages in areas with no mobile coverage. Globalstar's mobile satellite service, which had been developed by Apple, was available in all iPhone 14 or later handsets. Another service proposed by several vendors reused existing mobile spectrum bands from space. Ofcom had carried out a Call For Information to better understand the development of these services. There remained uncertainty among carriers about how quickly the technology would develop, how popular the services would eventually be and the business case to support them. In countries with large remote areas there could be value in sacrificing a small amount of spectrum for emergency coverage but in the UK, with better geographic coverage, there

remained business model and spectrum use concerns particularly as the service was seen as being relatively limited in the short term.

24. The Board noted that space services relied on international regulations as they aimed to provide global services and that the pace of innovation meant there were a significant number of agenda items tabled for the World Radiocommunications Conference 2027. The current model, which was based on co-operation between players, was not well set-up to deal with disagreements on access or wishes to prevent a foreign signal from entering a country. There was also a concern over equitable access and ensuring space remained available for later developers.
25. The Board discussed Ofcom's role as a regulator that promoted competition. Discussions on allocations were taking place at the ITU and forthcoming engagement sessions should enable progress. Ofcom aimed to support the development of new market opportunities through its authorisation processes, in particular its innovation and trials process. Ofcom took a generally country-agnostic approach to regulation but did have a light touch process for removal of operators where necessary.
26. The Board noted the proliferation of objects in space and that the management of this sat with the Civil Aviation Authority. An early conversation was underway with the ITU and FCC on crowding but there was no common answer.
27. The Board noted the reports.

Online Safety update

28. The Board discussed a paper on Ofcom's online safety roadmap and regulatory approach and an accompanying paper on the Illegal Harms Statement. It was noted that the updated online safety roadmap would be published in October and the Illegal Harms Statement was due to be published in December. The Board discussed various issues raised in the paper.
29. The Board noted the paper.

Three-Year Business Plan

30. The Board discussed a paper on the Three-Year Business Plan ('3YP') 2025/26 to 2027/28. It was noted that the plan had been developed following analysis of Ofcom's current environment and future drivers as well as a review of outcomes and learning from the current 3YP. The new 3YP was being developed with a full financial plan involving a sizing and phasing of policy programmes and other work. The key prioritisation choices were set out in each of Ofcom's policy sectors, as were cross-cutting choices.
31. The Board discussed the draft 3YP and noted that the paper did not clearly identify the savings that could be made from the lean-out areas though the work had been done to identify these. Further details would be provided to the Chair of the Risk & Audit Committee.
32. The Board noted that the tone of the 3YP should set out the positive case for the choices Ofcom was taking and should also set out clearly where efficiency improvements were expected.
33. There was a discussion on the potential for unplanned work and the need to be able to accommodate such contingencies.

34. It was noted that it would be helpful for the next paper to focus on material wider risks which could affect delivery of the 3YP. The Board noted that some areas within Ofcom were already stretched and that Spectrum was under-resourced compared to international benchmarks.
35. The Board noted the paper, including the proposal to bring the updated 3YP 25-28 to the Board for approval in November..

Financial resilience in our regulated sectors

36. The Board discussed a paper on the financial position of Ofcom’s regulated entities. The Board noted that in most cases, the financial resilience of stakeholders was not a matter for the regulator and the correct path would be to let the market play out. However, there were some instances where Ofcom should be involved on behalf of consumers which therefore carried some reputational risk and Ofcom should be sure that appropriate steps had been taken.
37. The Board noted the paper, including the including the plan to update the Board again in six months.

Modern Slavery Statement

38. The Board approved the Modern Slavery Statement 2024.

Channel 4 relicensing

39. The Board discussed the proposed contents and duration of the new Channel 4 licence and noted the paper.

Update on the DRCF Digital Hub

40. The Board noted the paper on the DRCF Digital Hub.

Ofcom’s Three-Year Media Literacy Strategy

41. The Board noted the paper on Ofcom’s Three-Year Media Literacy Strategy. It was agreed that the paper would be presented for discussion at a future Board meeting.

Renewal of Ofcom’s co-regulatory arrangements with the Advertising Standards Authority

42. The Board noted the paper on Ofcom’s co-regulatory arrangements with the Advertising Standards Authority.

Standing items

43. The Board noted the following standing items:
- Non-executive member updates
 - Monthly performance report

- Board work programme and publications schedule
- Minutes of the Advisory Committee for Scotland of 5 June 2024, Advisory Committee for England of 6 June 2024, Advisory Committee for Wales of 12 June 2024, Advisory Committee for Northern Ireland of 20 June 2024, Communications Consumer Panel of 27 June 2024 and Content Board 2 July 2024.

Any other business

44. The Board ratified a decision on an appointment to the Communications Consumer Panel.

Date of the next meeting

45. The next Board meeting would be held on 16 October 2024.