



**Minutes** of a meeting of the Board of the Authority for Television On Demand Limited (“**ATVOD**”) held at the offices of the BBFC, Wednesday 12 December 2012, 4.00pm

**Present:**

ATVOD Board:

Ruth Evans – Chair  
Daniel Austin  
Gidon Freeman  
Julia Hornle  
Sophie Jones  
Ian McBride  
Sara Nathan  
Chris Ratcliff  
Nigel Walmsley

In attendance:

Pete Johnson – Chief Executive  
Nicola Ebdon – Company Secretary (mins)  
Paul Whiteing (observer)

1. **Apologies**
- 1.1 There were no apologies.
2. **Declaration of members’ interests**
- 2.1 There were no additional interests declared for inclusion in the published register of interests.
3. **Minutes of the 16 October 2012 and 20 November 2012 meetings, notes of the 20 November strategy day, matters arising and updated actions**
- 3.1 The Board **APPROVED** the draft minutes of the meeting held on 16 October 2012, subject to changes to minutes 5.9, 7.3 and 10.2.
- 3.2 The Board **APPROVED** the draft minutes of the meeting held on 20 November 2012 and

the notes of the 20 November 2012 strategy day as drafted.

3.3 The Directors **NOTED** that the majority of actions had been completed. It was **NOTED** that the European Works Plan had been revised as proposed and published on 17 November 2012.

4. **Chief Executive's update**

4.1 The Board **NOTED** the update on new and withdrawn notifications as provided in the paper.

4.2 The Board **NOTED** progress made with scope investigations as provided in the paper. It was **NOTED** that the Scope Committee met on 13 November 2012 and made the following decisions:

- Rosecabs (<http://www.rosecabs.com/>) was no longer an ODPS due to the removal of video content, but should be monitored regularly as the site has been subject to frequent changes.
- Strictly Broadband ([www.strictlybroadband.com](http://www.strictlybroadband.com) / [www.anywhere.xxx](http://www.anywhere.xxx)) was no longer being provided by a service provider within UK jurisdiction and its notification should therefore be withdrawn. Sufficient evidence had now been provided of transfer of ownership and editorial responsibility to a US company.
- Linear programmes did not become 'on-demand' when they were paused or a 'live restart' function was deployed. The use of these functions appeared to the committee to fall more clearly within the ambit of broadcast television. It was **NOTED** that this approach was likely to be tested as part of the review of scope guidance currently being undertaken.

4.3 The Board **NOTED** the update on appeals as provided in the paper. Directors **NOTED** that a response to the Ofcom preliminary view on Channel Flip had been submitted as agreed at the November 2012 Board meeting and that Ofcom were due to publish their decision shortly. It was **AGREED** that the Board would consider the Ofcom decision once published to establish any consequences for future ATVOD decisions on scope. Directors **NOTED** that Ofcom had issued a preliminary view on the Business Channel. Directors **CONSIDERED** a draft response to the preliminary review and **AGREED** its content, subject to further comments received from Directors by 13 December 2012. It was **AGREED** that the Executive would establish Ofcom's preference with regard to timing of the ATVOD response to the preliminary view.

4.4 The Board **NOTED** the update on complaints as provided in the paper.

4.5 Directors **NOTED** an update in relation to enforcement action. It was **NOTED** that confirmation had been received that online payment processors were able to distinguish between credit cards and other types of card, including pre-paid cards, if instructed to do so by the merchant.

4.6 The Board **NOTED** the update on Access Services as provided in the paper. Directors

- NOTED** that the CEO had made a presentation of the findings of the Access Services Report to the CSI Accessibility Conference on 5 December 2012. It was **NOTED** that the report had been received well and that the audiences' expectations of ATVOD in this area were in line with its duties.
- 4.7 The Board **NOTED** the update on European works as provided in the paper.
- 4.8 The Board **NOTED** the update on the Scope Working Party as provided in the paper.
- 4.9 The Board **NOTED** the update on the Fees Working Party as provided in the paper. Directors **NOTED** the views of the working party in relation to the fees consultation for 2013/14 and that it had requested that ATVOD contemplate whether the criteria for qualification for consideration as a group might be relaxed to allow services partially owned by the same parent to be included. Directors **AGREED** that clear criteria would need to be established and the implications assessed before a decision could be made to include such an option in the forthcoming consultation. Directors **NOTED** that the Chair and CEO had met with a stakeholder claiming to represent small businesses to discuss their concerns and had urged them to submit their views in writing so that the Board could consider them prior to publishing the forthcoming consultation on fees for 2013-14 in January 2013. It was **NOTED** that a draft Fees Consultation document would be drafted following the outcome of the current consultation on notification requirements and Board decisions in relation to the draft budget, which would be launched by the end of January 2013.
- 4.10 The Board **NOTED** the update on the Communications Review as provided in the paper. Directors **NOTED** developments with regard to provision by the adult industry of practical advice for parents in relation to hardcore porn on VOD services.
- 4.11 The Board **NOTED** the update on ParentPort as provided in the paper.
- 4.12 Directors **NOTED** the update in relation to recruitment. Directors **CONFIRMED** the appointment of Paul Whiteing as an Independent Member and Director as recommended by the Recruitment Panel and agreed by the Board by email on 26 November 2012. It was **NOTED** the appointment would be with effect from 1 January 2013 for an initial term of 3 years until 31 December 2015.
- 4.13 Directors **ACCEPTED** the resignation of Sara Nathan. On behalf of the Board, the Chair gave thanks to the Sara for her contribution and support over the last few years.
- 4.14 The Board **NOTED** the update on research as provided in the paper.
- 4.15 The Board **NOTED** the update on public relations as provided in the paper and **DISCUSSED** some of the meetings further.

5. **Financial report**

5.1 Directors **CONSIDERED** the Management Accounts for August and September 2012 and **NOTED** a number of arising issues.

5.2 Directors **CONSIDERED** a draft budget for 2013-14 and a number of proposals within the draft budget. When proposals regarding their remuneration were discussed, the CEO and relevant Directors were not present. The draft budget featured the following elements:

- non-independent Directors remain unpaid for at least a further year. However a proposal would be included in the fees consultation to enable the Board to agree to pay a fee to attract candidates with a small business or self-employed background in future recruitment campaigns;
- a modest increase in staff resources and a modest provision for staff training;
- a 5% increase in fees for Chair, Deputy Chair and Independent Directors. It was **NOTED** that this would be the first increase since appointment and would match the average UK rise in earnings over the period Mar 2010 – Sept 2012 (prices over the same period had risen by 10.5 % (CPI) or 12.6% (RPI));
- a 3% increase in salaries for all staff members. It was **NOTED** that this increase would keep staff salaries in line with average earnings increases over the period since ATVOD's designation;
- a modest pension benefit for staff from 1 April 2013. It was **NOTED** that this would anticipate the statutory requirements that would apply to ATVOD in stages from 2015;
- a reduction of £5k in the provision for debt recovery in light of experience this year;
- a reduction of £10k in the provision for bad debt / fee shortfall given the greater stability achieved in relation to fees and the experience of this year in relation to bad debt;
- no increase in the research, legal or expenses budgets; and
- a 3% increase in salary for the CEO and a 5% increase in ATVOD's contribution to the CEO's pension scheme.

5.3 It was **NOTED** that the draft budget would permit a reduction in the average level of fees if the projected small surplus for 2012-13 was realised. Directors **AGREED** to include the draft budget in the consultation on 2013-14 fees as ATVOD's estimate of the likely costs of performing the designated functions in 2013-14.

5.4 Directors **NOTED** that ONS were considering whether ATVOD should be reclassified as a public body, which would have a number of practical impacts on ATVOD's corporate governance. The Board **AGREED** to endeavour to establish potential impacts of a decision to reclassify ATVOD and would look to other regulators in the same situation for shared guidance.

5.5 Directors **REQUESTED** that its expenses policy be reviewed to ensure that it remained fit for purpose and in line with best practice.

**6. Notification Requirements (“Multiple Services”) Consultation**

**6.1** Directors **CONSIDERED** a paper which outlined the responses received to the consultation which proposed to simplify notification requirements so that a service provider could make a single notification with regard to all the services that they had available. The proposal included an ancillary proposal to require service providers to identify, on an annual return basis, all the retail outlets through which the service could be accessed by consumers and illustrated two ways in which the loss of revenue which would result from the proposal might be recouped through changes to the fee structure.

**6.2** Directors **NOTED** that the responses received expressed general support for the proposal, but a number included concerns regarding increasing the complexity of the fee structure and placing additional requirements on service providers with respect to reporting on retail outlets operated by third parties. Directors **NOTED** that the Executive were working to draft a policy statement which maintained the central proposal and dealt with the issues raised with respect to the information required by ATVOD in relation to the outlets through which consumers access the service(s). Directors **AGREED** with this approach and expressed their support to ensure the proposal resulted in a simplification and reduction of administrative burdens.

**7. Leveson Report / IPPR Report**

**7.1** Directors **CONSIDERED** the Leveson and the IPPR reports in respect of any implications for ATVOD. Directors **NOTED** that ATVOD was referred to factually in the Leveson Report in respect of the current media regulation framework and the the report recommended that an ODPS which was being provided on a newspaper website should be subject to regulation by ATVOD rather than by a new press regulator.

**7.2** Directors **AGREED** that both the reports did not affect the policy position which had been agreed by the Board at the Strategy Day regarding regulation of ODPS on newspaper websites.

**8. Any other business**

**8.1** There were no items of other business.