

Internet Watch Foundation

BOARD MEETING

10.00am - Tuesday 14 March 2017

Penningtons Manches
125 Wood Street
London
EC2V 7AW

MINUTES

Present: Sir Richard Tilt (RT) (Chair)
Brian Webb (BW) (Industry Vice-Chair)
Peter Neyroud (PN) (Vice Chair)
Philip Geering (PG)
Helen Dent (HD)
Jonathan Drori (JD)
Uta Kohl (UTA)
Sue Pillar (SP)
Katie O'Donovan (KOD)

Apologies: Becky Foreman (BF)
Jonathan Lea (JL)
Paul Cording

IWF Staff: Susie Hargreaves (SH) (CEO)
Fred Langford (FL) (Deputy CEO)
Heidi Kempster (HK) (Director of Business Affairs - DBA)
Kristof Claesen (KC) (Director of Policy and Public Affairs – DPPA)
Emma Hardy (EH) (Director of External Relations – DER)
Sandrine Harvey (SJH) (Minutes)

IWF Board Closed session

There was a closed session of the IWF Board from 10.00am to 10.10am.

1. a) Welcome and Apologies

The meeting began at 10.15am.

There were apologies from Becky Foreman and Jonathan Lea.

b) Declarations of Interest

The Chair declared an interest in item 5.d.

2. Draft minutes

The minutes of the previous meeting were **approved** subject to the following amendments:

- 7. CEO report - 2. Strategic developments - 2.2 GCHQ: The penultimate sentence of the first paragraph should read: "The CEO explained... any decision about working with them **would have** the agreement of the membership."

- 15. AOB – 2) The second sentence should read: “One of the Directors **of a sub-contracted company** has now...”.

Action: SJH to amend accordingly.

3. Actions arising

Action 12. IWF/NSPCC project – 14.06.16: The Board noted that the DCEO will present a draft project outline at the June 2017 Board meeting.

The Board noted the paper.

4. FC communique

10 January 2017

The Board noted the communique dated 10 January 2017.

28 February 2017

3. IWF reports

a) CEO report

The DER reassured the Board that the media response in place regarding the discussion about Chief Constable Simon Bailey’s comment was factual. She also sent the statement to the Board.

A Board member also reminded the Board that the first mission for IWF is to prevent CSA online. It was also mentioned that the public does not understand what low level image means.

The CEO agreed to speak to Simon Bailey about IWF support.

Action: SH to speak to Simon Bailey.

c) Operational report

A Board member queried the action 5/2.17 as this was unclear. This action will be clarified by the Secretariat of the Funding Council.

Action: NP to clarify this action with Stephanie.

5. Working group updates

a) Code of practice review

The Industry Vice-Chair distributed a presentation to all the Board members, which reviewed the position of the FC in regard to the code of practice. The Industry Vice-Chair pointed out that the Members’ constitution made no distinction between international and UK companies, whereas the code does. The perceived risk is that “Member A” who does not have to adhere to the code, could be elected to the IWF Board, and therefore in a position of power to make decisions which will not affect them, but will directly affect “Member B” who does have to adhere to the code. A competitive, or unfair advantage could be levied by Member A.

The CEO reported to the Board that the question asked to Pennington Manches was verbatim as shared by the FC Chair. She also informed the Board that circa £7.5k had already been spent on this topic and expressed some reluctance in getting more advice from solicitors until the FC has clarified its expectations.

A Board member suggested that rather than looking for a legal solution, a side letter with some principles could help to resolve the issue.

The Board **agreed** that as this issue is still outstanding and the questions around it is very complex, the Board would ask FC if they would like our representative from Penningtons solicitors to attend the next meeting to answer any questions the Members might have to clarify the situation. The Chair, the CEO and the DBA will also attend this meeting.

Action: SH to ask the Chair of FC if they would like IWF to extend an invitation to Penningtons to join the next FC meeting in May 2017.

The Chair thanked Paul Cording, exiting FC Chair, for all his support during his time as FC Chair and welcomed the new elected Chair by the FC Members – Matthew Eltringham – BBC.

5. Audit committee report

a) Q3 Management accounts

In the absence of the Chair of the audit committee, the Acting Chair (Independent Vice-Chair) presented the Q3 management accounts. The organisation is financially healthy. They were pleased to report that the balance of IWL has been transferred to the IWF. This is now shown as a 'donation' which increases the annual income and reduces the b/fwd. reserves but overall effect is nil on funds.

b) Revised draft budget 2017/18

The DBA informed the Board that in discussion with the new Auditors it was agreed that several funds could be 'designated' which would enable us to allocate committed funds over several years which would result in a more transparent and accurate report on the reserves position.

The forecast budget for membership and research has been slightly revised to reflect this. There have also been a number of changes which take into account the year end position in March 2017.

The Board **approved** the revised draft budget.

c) Investment strategy

The Acting Chair informed the Board that Psigma, an investment company recommended by a Board member, presented the options available to the audit committee at the last meeting. A Board member queried whether the funds offered by Psigma were solid. The DBA confirmed that these had been checked and were well balanced. The return on the investment would be circa 2% in a Psigma's portfolio.

She pointed that the audit committee also considered using the total values held in foreign currencies by exchanging and investing them in a portfolio.

The Board **approved** that the audit committee agrees an investment strategy.

d) Cost of living rise

The Independent Vice-Chair chaired this item as the Chair declared an interest. The Board **approved** the recommendation from the audit committee to grant a 2% cost of living rise to all staff.

The CEO will inform the staff of the Board's decision.

Action: SH to inform all staff about cost of living increase.

6. Ethics committee report

The CEO informed the Board that the DPPA would take over the responsibility to lead the Ethics committee on behalf of the Executive and she would, from now on, attend on a 'need-only' basis.

a) Adult industry

The DPPA had presented a paper to the ethics committee detailing the pros and cons of opening up membership of the IWF to those members of the adult industry that comply with implementing age verification. The Ethics Committee agreed that engaging with the adult industry as members at present presented a risk to the IWF's reputation and suggested we explore engaging with their trade organisations on an informal basis.

b) Webcam Research

The first draft research paper was discussed by the Ethics Committee. There was a lot of positive feedback and also some significant criticism, particularly in relation to definitions and understanding the actual nature of content. It was agreed that all the comments would be responded to on a case by case basis and that the Technical Researcher would attend the next meeting of the Committee to present a second draft and answer any questions.

Release of the research would be postponed for the foreseeable future.

The CEO would feed this back to Microsoft who have sponsored the research.

c) Other

In response to a question about how we decide which countries to work with, and whether to admit members, the DPPA added that a formal procedure had been agreed and the decision to admit members was taken at SMT level.

7. Chair's report

The Chair reported on the following points:

a) INHOPE

This issue is still on-going and the IWF is still not inputting data into ICCAM as agreed at the previous Board as no progress has been made regarding the information sharing agreement and Interpol agreement.

There have been some reactions following the Skype call with the European Commission and there has been some reassurance, but this is still not enough for the IWF.

The Board **agreed** that if our requests are met, the decision to reinstate inputting data into the INHOPE system is delegated to the Chair, the CEO, DCEO.

8. CEO report

2. *Strategic developments*

The CEO reported that the IWF has been invited to participate in a number of roundtables to develop a government Internet Safety Strategy. A Green Paper will be produced by DCMS by end of June 2017.

2.3 **Obscene Adult Content (OAC)**

No response has been received yet from the Government.

As no reply has been received to the letter sent to the Secretary of State regarding OAC, it has been **agreed** that a reminder would be sent.

Action: RT to send a reminder to the Secretary of State.

2.5 **GCHQ**

The Board discussed how the two organisations might work together and the pros and cons of the “developed vetting” for staff.

The IWF will review other ideas submitted by GCHQ and share with the Board at the next meeting prior to sharing with Funding Council.

Action: BW to mention an NCSC agreement to GCHQ.

Action: FL/SH to review ways of cooperating with GCHQ.

3. *International report*

3.1 **#We Protect/UNICEF Global Fund to end Violence against Children**

The CEO indicated that no response regarding the application would be received before the first week of April.

4. **CSC Leaders Programme**

The Board congratulated the CEO for being accepted to the CSC Leaders Programme.

5. **UK Safer Internet Centre**

The UK Safer Internet Centre (UKSIC) met with DCMS to express their concerns in regard to the loss of the EU grant. The government noted the impact the loss of the EU funding will have on UKSIC.

9. **Communications report**

2. **Measuring communications’ output**

The DER informed the Board that she was looking at a way of improving how we measure IWF’s communication effectiveness and she would welcome any ideas/suggestions the Board might have on this point.

5. **Website**

The new website was launched in February 2017. Metrics provided by the website will be more accurate.

6. Annual Report

The launch of the Annual Report 2016 is taking place on 3 April and will be an online version only. The launch reception will be held at the House of Commons and will feature a range of international speakers with a focus on the international work of the IWF.

6.2.3. Media launch

In addition to the IWF's own PR work, an agency are undertaking some PR work focussing on the technology media.

3. Home Office (RICU) Campaign

The DER reminded the Board the aim of the campaign was to inform young men aged 18-24's understanding of the law in relation to indecent images of children. The campaign will be a 6-week pilot project and openly branded Home Office and IWF. The effectiveness of the campaign will also be measured by the Home Office.

4. Regional harm reduction campaign

The campaign with Everton FC has been running for the full football season and has exceeded our expectation in terms of feedback to the workshops. The campaign element, which will focus on reporting online CSAM, "See It – Report It" will run on Easter Saturday at the match between Everton and Burnley. The campaign includes a film for social media with first team players, a poster and programme campaign at the stadium; posters on escalator sites at select tube stations and a Media/PR programme.

The Chair congratulated the DER for her good report.

10. Policy and Public Affairs report

With the introduction of the Digital Economy Bill and the BBFC being given the powers over age verification, the BBFC now has the power to order the blocking of adult websites including "prohibited material", whose definition is unclear yet.

The Board discussed a potential conflict with the BBFC in the long term if the BBFC has powers to request the blocking of illegal material.

There is an identified gap in responsibility for non-photographic images (NPI) hosted outside of the UK which could, in theory, be available on adult sites which have complied with the age verification requirements, as they fall outside of the remit of the IWF.

The Board agreed that Funding Council should be asked to consider the possibility of broadening the remit of the IWF to include NPI hosted outside of the UK with the possibility of a new list of this content being developed and available for members to use on a voluntary basis.

Action: CEO to write to FC to ask them to consider broadening IWF remit to include NPI hosted outside the UK

11. Technical report

2. Hotline

2.1 Operational trends

Figure 3

The Chair asked the reasons for the increase in public reports in 2016. The DCEO explained the new format includes duplicates where more than one person has reported the same content.

4. IWF services

4.1.5 A Board member queried the type of complaints received. The DCEO clarified that the complaints received were from members of the public complaining about over-blocking and as a prominent organisation, the IWF comes first on the list of blockings when people search for answers. The complaints were not upheld as the IWF does not facilitate blocking mechanisms.

5. IWF network and technology

5.3.4 The Board briefly discussed whether the IWF should develop a “https” list as requested by some Members at the last FC meeting. It was explained that it would not mean that the list is more secure. The Board **agreed** that this issue should be referred to the Ethics committee.

Action: Ethics committee to discuss whether the development of an “https” list was necessary or not.

9. Hotline inspection

The Board was informed that the Hotline inspection will now take place in June 2017 rather than in December 2017.

The Board noted the paper.

12. Image and video hashing

2. Image hashing update

2.9 Conclusion and recommendations

2.9.3 A Board member queried whether there would be an alternative to self-certification for the hash list. The DCEO replied that the process would be the same as for the URL list, which was led and required by the FC.

2.9.7 It was specified that the DCEO would consult with a new staff member who formally worked at Ernst & Young for advice and guidance on how best to conduct an operational, financial and strategic evaluation.

The CEO expressed her disappointment on the take up of the hash list by the Members mainly due to the lack of marketing around the new service. The DCEO also added that there were some significant costs related to the implementation of the hash list and some companies were not ready to take on more cost and internal policies/procedures. However, some companies have successfully implemented the hash list. A Board member emphasised this is an issue where very often by the time the procedure is in place, the technology has already moved on.

Some Board members proposed to obtain a case study from Members to show the benefit of the hash list and thank them publicly in the press; podcasts on the IWF website could also be taken into consideration.

The DCEO stated that the hash list could open a new possibility of income through membership.

13. Director of Business Affairs report

The Board noted the paper.

14. Funding paper loss of Google/EU grant

The steps taken to date to address the funding gap were detailed in the paper.

As the UK government also announced it would meet the EU gap, there might be a possibility of getting some funding, but it will need to be looked in relation to our self-regulatory status and particularly the impact this would have on the on the IWF independent status which could affect the ability of the US companies to work with us.

Within developing the membership it's important to consider that there is a constant programme of mergers and acquisitions, which we have no control over. The CEO also brought the Board's attention to the fact that although our fees were up, overall, this was due to 2016/2017 being the final year of the new membership fees being phased in. In fact, the actual number of members had gone down.

A board member asked about the possibility of a donations programme. The DER reported that there was a donation page on the website but we didn't actively promote this as the amounts were generally quite small and we had some concerns about possible motivations for donating to the IWF. A 3-month pilot project to encourage donations was discussed. The Board also enquired about legacies and foundations.

Action: SH and EH to investigate and report back to the Board.

It has been **agreed** that the Chair will inform the FC about the various options to compensate the loss of the grants.

Action: RT to write a letter to the FC informing of the possible alternative to compensate the loss of the grants.

15. Summary Business plan 17/18

As requested by the Board last year, the CEO produced a simpler version of the Business plan. She also mentioned that a more detailed version of the Business plan is available for the Board members.

The Board noted the paper and is approved the summary plan.

16. FC code and constitution

This item was discussed under item 4. FC Communique.

17. AOB

- 1) The CEO updated the Board about an incident which came to light in 2015 involving the Director of a company which had worked with IWF. CPS had brought charges against the individual. IWF will monitor the outcome.
- 2) The Chair asked the Board members make suggestions about guest speakers or topics to be talked about for the Board away day. It was agreed to extend an invitation to Ian Levy, Technical Director at the National Cyber Security Centre.

The meeting ended at 1.00pm.