



Ofcom's Tariff Tables 2008/09

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Section 1

Ofcom Funding for the year 1 April 2008 to 31 March 2009

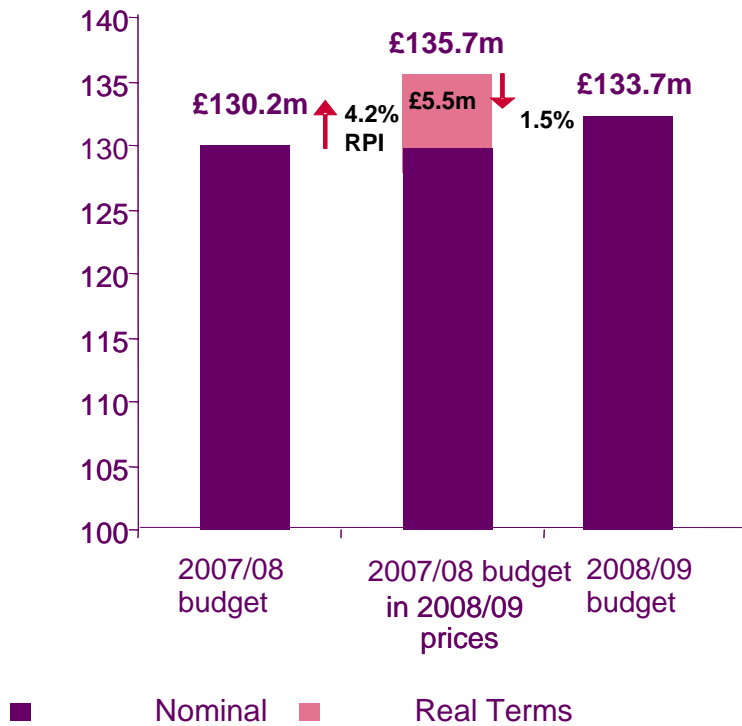
Ofcom Funding for the year 1 April 2008 to 31 March 2009

2008/09 Budget and 2007/08 Outturn

- 1.1 Ofcom's work programme for 2008/09 is set out in its Annual Plan. The draft for consultation was published on 11 December 2007 and the final version of the Annual Plan will be published on 3 April 2008.
- 1.2 On a like-for-like basis, Ofcom's budget for 2008/09 will be £133.7m, which is 1.5% lower in real terms than its budget for 2007/08. This is the fourth consecutive real terms reduction in Ofcom's budget and 17.5% lower in real terms than Ofcom's original full –year budget set in 2004/05.
- 1.3 Ofcom is confident that, following several years of major efficiency improvements and initiatives, the organization now operates with greater stable budgetary requirements.
- 1.4 The £133.7m operating budget is reflective of anticipated RPI increases and the rescheduling of some projects from 2007/08. The budget is based on an adjusted cash basis, which includes capital expenditure and actual contributions to pension schemes, but excludes depreciation.
- 1.5 To cover the cost of establishing the organization Ofcom received a £52.3m loan from the Government. The set-up costs were incurred during the period March 2003 to January 2004. During the financial year 2007/08 Ofcom completed the repayment of the loan, together with the accumulated interest. Therefore, from 2008/09 onwards the loan will no longer be recouped through regulatory fees from stakeholders.
- 1.6 Greater efficiency savings and rescheduling of some projects means that Ofcom expects to complete its work for 2007/08 at £129.8m, £0.4m under budget. The underspend will be remitted back to industry – in line with Sections 38 and 347 of the Communications Act 2003 – in the form of reduction in regulatory fees for 2008/09.
- 1.7 However, some stakeholders will experience an increase in their regulatory fees for 2008/09 compared to the previous financial year due to a higher allocation of work planned for that sector.
- 1.8 Sector regulatory fees will specifically change by:
 - an average decrease of (6.3%) for the radio sector;
 - an average decrease of (2.4%) for the television sector; and
 - an average increase of 4.1% for network and services operators.

Comparison of 2007/08 Planned Costs with those for 2008/09

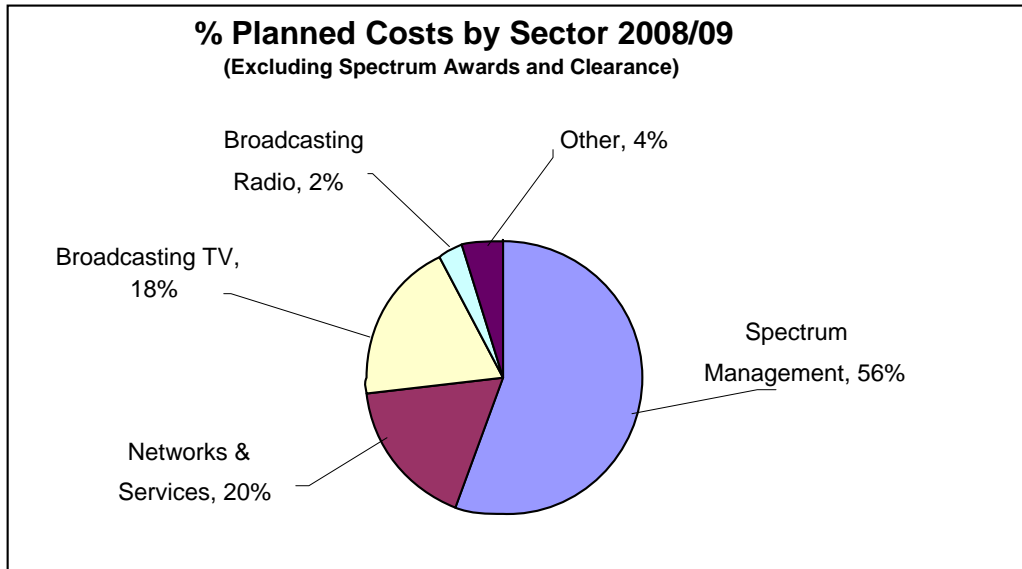
Table 1: Ofcom Costs



- 1.9 The analysis in Annex 1 sets out in tabular form the planned expenditure and fees and charges for 2008/09 by sector.

Allocation of 2008/09 Costs across Sectors

- 1.10 The allocation of costs is determined in accordance with the methodology described in the Statement of Charging Principles published on 8 February 2005. The use of Relevant Turnover in determining the fees and charges, as specified by the Statement of Charging Principles, means that actual costs for some individual licensees will vary from the sector average.



- 1.11 These 2008/09 Tariff Tables set out the payments due by sector, but do not include details broken down by licensee; these will remain confidential to the companies should Ofcom consider them to be commercially sensitive.

Ofcom Licence Fees and Administrative Charges

Tariff Tables - 2008/09

The following tariff tables provide Ofcom's 2008/09 fees and charges for the year from 1 April 2008 to 31 March 2009. It is split into three sections:

- Networks and Services including Electronic Communications Code;
- Television; and
- Radio.

Section 2

Networks and Services Charges

Administrative Charges for the Networks and Services Sector

- 2.1 Network and Services administrative charges are payable by all Relevant Persons with a Relevant Turnover of £5m or more in the calendar year ended 31 December 2006. ¹
- 2.2 Administrative charges are calculated by applying a percentage tariff to the Relevant Turnover. Where Relevant Turnover falls within a band, as set out in Table 2 below, Ofcom will use the lower figure of the turnover band to calculate the administrative charge payable.
- 2.3 The administration charge is based on 0.0653% of Relevant Turnover in the calendar year ended 31 December 2006.

Table 2: Networks and Services Administrative Charges.

Bands			
Bottom (£)	Top (£)	Relevant Turnover (£)	Fee Payable (£)
0	5,000,000	0	-
5,000,000	10,000,000	5,000,000	3,265
10,000,000	25,000,000	10,000,000	6,530
25,000,000	50,000,000	25,000,000	16,325
50,000,000	75,000,000	50,000,000	32,650
75,000,000	100,000,000	75,000,000	48,975
100,000,000	150,000,000	100,000,000	65,300
150,000,000	200,000,000	150,000,000	97,950
200,000,000	300,000,000	200,000,000	130,600
300,000,000	400,000,000	300,000,000	195,900
400,000,000	500,000,000	400,000,000	261,200
500,000,000	600,000,000	500,000,000	326,500
600,000,000	750,000,000	600,000,000	391,800
750,000,000	1,000,000,000	750,000,000	489,750
Above £1,000,000,000		Actual Relevant Turnover	0.0653%

Monthly Payment

- 2.4 If the annual administrative charge as calculated above is more than £75,000, Ofcom will allow monthly payment of the fee.

¹ <http://www.ofcom.org.uk/consult/condocs/designation/statement/statement.pdf>

Administrative Charges for the Electronic Communications Code

Annual Administrative Charge

2.5 Persons who have been granted the electronic communications code (the 'code') must pay an annual administrative fee. The fee is as specified in Table 3 below for 2008/09.

Table 3: Electronic Communications Code Annual Administrative charges

	Tariff for 2008/09 (£)
Annual Administrative Charge	1,000

2.6 The beneficiary of Code powers is charged once for administration of the Code, regardless of how many sets of Code powers that beneficiary maintains.

Application Fee

2.7 Persons who have been granted the code in a particular Charging Year must pay a one-off charge in respect of the estimated costs of dealing with their application for the code.

Table 4: Electronic Communications Code Application Charge

	Tariff for 2008/09 (£)
Application Charge	10,000

Section 3

Television Licence Fees

3.1 The categories of licences are:

- i) **Category A** – Channel 3, Channel 4, Channel 5 and the Public Teletext Service Licence. (Note that this category includes associated TLCS licences where content is simulcast);
- ii) **Category B** – Television Licensable Content Service Licences, Digital Television Programme Service Licences, Commercial Additional Television Services Licences and Digital Television Additional Service Licences. (Note that this category does not include those TLCS licences which are included in Category A);
- iii) **Category C** – Restricted Television Service Licences (long-term and short-term);
- iv) **Category D** – Television Multiplex Licences;
- v) **Category E** – Teleshopping Channels.

3.2 The tariffs for categories A and B relate to the licensee's Relevant Turnover for the year ended 31 December 2006. The tariffs are progressive in that licensees pay proportionally more in fees as their Relevant Turnover increases, based on a cumulative sliding scale (see Table 5 below). There is a maximum Relevant Turnover cap of £300m, beyond which no fee is payable.

Category A and B licence fees

Table 5: Category A and B Licence Fees

Relevant Turnover	Category A PSB Revenues	Category B PSB Simulcast Revenues	Category B Non-PSB Revenues
Bands			
£0m - £10m	0.25132%	0.25132%	0.04561%
£10m - £35m	0.37698%	0.37698%	0.09134%
£35m - £75m	0.56547%	0.56547%	0.18267%
£75m - £300m	0.84820%	0.84820%	0.36533%
Over £300m	0.0%	0.0%	0.0%

Notes:

- i) Minimum Fee = £1,000
- ii) Rates are expressed cumulatively, e.g. for Category A licensees 0.25132% is charged on the first £10m of Relevant Turnover;
0.37698% on the next £25m;
0.56547% on the next £40m and
0.84820% on the next £225m.

Monthly Payment

3.3 If the annual licence fee calculated is more than £75,000, Ofcom will allow monthly payment of the fee.

Categories C, D and E

3.4 Licence fees for categories C, D and E are shown below:

Restricted Television Service Licences (long-term and short-term) and Restricted Events Licences

Table 6: Category C Licence Fees

	Tariff for 2008/09 (£)
Restricted Event Licences	
Up to 1,000 seats	100
1,001 – 5,000	150
5,001 – 20,000	250
Over 20,000 seats	500
Restricted Services Licence	500

Television Multiplex Licences

Table 7: Category D Licence Fees

	Tariff for 2008/09 (£)
Digital Multiplex	
Fee per annum	10,000
Application / Renewal fee	25,000

Teleshopping channels

3.5 A fixed annual fee will be charged for these channels as below:

Table 8: Category E Licence Fees

	Tariff for 2008/09 (£)
Shopping Channels	
Fee per annum	2,000

Application Fees

3.6 Application fees are shown below:

Table 9: Application Fees

	Tariff for 2008/09 (£)	Transfers/ Variations
Television Licensable Content Service Licence	2,500	1,000
Restricted Events Licence	250	-
Digital Television Programme Service Licence	2,500	1,000
Digital Television Additional Service Licence	2,500	1,000
Digital Channel 3, Channel 5 and Public Teletext Licences	30,000	30,000

Section 4

Radio Licence Fees

National and Local Licences - Application and Licence Fees

Application Fees

4.1 All new applications for national and local licences must be accompanied by a non-refundable application fee. The fees for each category of licence are:

Table 10: National and Local Licence Applications

		Tariff for 2008/09 (£)	
	Population (Aged 15+)	FM	AM
National Licences			
All Licences		100,000	100,000
Local Licences			
Category A	4,500,000 +	50,000	14,500
Category B	1,000,000-4,500,000	25,000	8,000
Category C	400,000-1,000,000	10,000	3,500
Category D	0-400,000	5,000	1,000

Annual Licence Fees

4.2 Annual licence fees are calculated as a percentage of the annual Relevant Turnover obtained from the licence for the calendar year ended 31 December 2006.

Table 11: National and Local Licence Fees

Bands			Tariff for 2008/09 % of Relevant Turnover
£0m	-	£1m	0.212%
£1m	-	£5m	0.318%
Over		£5m	0.476%

Transitional Relief

4.3 In 2004/05, after consultation with the radio sector, Ofcom implemented major changes to the tariff structure for national and analogue licence fees, basing them on the turnover rather than the population coverage of the licence. The scale of these changes required the use of transitional relief in 2004/05 to 2007/08. However, as notified in the 2007/08 tariff tables, 2007/08 was the last year of the transitional relief following the repayment of the foundation loan. The transitional relief has therefore not been applied in the 2008/09 radio licence fees.

Monthly Payment

- 4.4 If the licence fee for a national or local licence is more than £5,000, Ofcom will allow monthly payment of the fee.

De Minimis Threshold

- 4.5 The fee for holding national and local licences is set at zero where the fee due would otherwise be less than £100. This is in the interests of efficient administration for both Ofcom and licensees. Therefore, the de minimis threshold is £100 for existing national and local licence fees.

Fees for Renewal of National and Local Licences

- 4.6 All applications for renewal of national and local licences must be accompanied by a non-refundable application fee. The fees for renewing each category of licence are:

Table 12: National and Local Licence Renewals

		Tariff for 2008/09 (£)	
	Population (Aged 15+)	FM	AM
National Licences			
All Licences		100,000	100,000
Local Licences			
Category A	4,500,000 +	21,200	14,500
Category B	1,000,000-4,500,000	11,800	8,000
Category C	400,000-1,000,000	5,000	3,500
Category D	0-400,000	1,500	1,000

National and Local Radio Multiplex Licences - Application and Licence Fees

Application Fees

- 4.7 All applications for national and local radio multiplex licences must be accompanied by a non-refundable application fee. The application fee for each category of licence is:

Table 13: Radio Multiplex Licence Applications – National and Local

	Population (Aged 15+)	Tariff for 2008/09 (£)
National Licences		
All Licences		50,000
Local Licences		
Category A	4,500,000 +	25,000
Category B	1,000,000-4,500,000	15,000
Category C	400,000-1,000,000	5,000
Category D	0-400,000	1,000

Annual Licence Fees

4.8 Annual fees for national and local radio multiplex licences have been set at a fixed rate as shown in Table 14.

Table 14: National and Local Radio Multiplex Licence Fees

	Tariff for 2008/09 (£)
National radio multiplex licences	10,000
Local radio multiplex licences	500

Community radio – Application and Licence Fees

4.9 Application and annual licence fees for community radio licences have been set as shown in Table 15.

Table 15: Community Radio Application and Licence Fees

	Tariff for 2008/09 (£)
Application fee	600
Annual licence fee	600

4.10 Any commercial revenue obtained from a community radio licence will be subject to the same tariff as that applied to national and local licences, which for the financial year 2008/09 is shown in Table 11 which is reproduced below. Any amount due will be offset against the £600 already paid.

Bands	Tariff for 2008/09 % of Relevant Turnover
£0m - £1m	0.212%
£1m - £5m	0.318%
Over £5m	0.476%

Reproduced from table 12

Restricted Service Licences (short-term) – Application and Licence Fees

Application Fees

4.11 A non-refundable fee is required for a short-term restricted service licence application, as follows:

Table 16: Short term RSLs Application fee

	Tariff for 2008/09 (£)
Restricted Service Licence (Short-term) Application Fees	
Application Fee	400

Licence Fees

- 4.12 For short-term RSLs operating over a period of consecutive days (which will not normally exceed a maximum of 28 days, but exceptionally may do so) licence fees will be charged on a daily rate as follows:

Table 17: Short term RSLs

	Daily Rate (£)
a) AM (medium wave)	
All power levels	10
b) FM (VHF) e.r.p.	
i) Up to and including 1W	10
ii) Above 1W, up to and inc. 25W	30

- 4.13 For short term RSLs operating over a period of non-consecutive dates where the period between the first date of the licence period and the last date of the licence period falls within a period exceeding 28 days the licence fee will be as follows:

Table 18: Short term RSLs (non-consecutive)

	Fixed Rate (£)
a) AM (medium wave)	
i) 29 to 140 days	675
ii) Over 140 days	1,250
b) FM (VHF)	
i) 29 to 140 days	1,000
ii) Over 140 days	1,550

- 4.14 All other short-term Restricted Service Licences will be subject to a licence fee of £100 for each 28 day period or part thereof.

Amendment Fees

- 4.15 An amendment fee is charged when an applicant wishes to amend details of its application after it has been approved by Ofcom.

Table 19: Short-Term Restricted Service Licences Amendment Fee

	Tariff for 2008/09 (£)
Restricted Service Licence (Short-term) Amendment Fee	
Amendment Fee	200

Restricted Service Licences (long term) – Application and Licence Fees

Application Fees

4.16 A non-refundable fee is required for a long-term restricted service licence application, as follows:

Table 20: Long-Term Restricted Service Licences Application Fee

	Tariff for 2008/09 (£)
Restricted Service Licence (Long-term) Application Fees	
Application Fee	200

Annual Licence Fees

4.17 The annual licence fee for a long-term restricted service licence varies according to the method of transmission as follows:

Table 21: Long Term Restricted Service Licences

	Annual Licence Fee (£)
a) Induction Loop (AM)	
Licence fee per annum	140
b) Low-powered (FM) Up to and including 50 mW e.r.p.	
Licence fee per annum	140
c) Low-powered (AM) Up to and including 1 watt.	
Licence fee per annum	275

Amendment Fees

4.18 An amendment fee is charged when an applicant wishes to amend details of its application after it has been approved by Ofcom.

Table 22: Long-Term Restricted Service Licences Amendment Fee

	Tariff for 2008/09 (£)
Restricted Service Licence (Long-term) Amendment Fees	
Amendment Fee	200

Audio Distribution Systems (ADS) Restricted Service Licences – Application and Licence Fees

Application Fees

4.19 A non-refundable fee is required for an ADS restricted service licence application, as follows:

Table 23: ADS Restricted Service Licences Application Fee

	Tariff for 2008/09 (£)
ADS Restricted Service Licence Application Fees	
Application Fee	200

Annual Licence Fees

4.20 The annual licence fee for an ADS restricted service licence is as follows:

Table 24: ADS Restricted Service Licences

	Annual Licence Fee (£)
Licence fee per annum	275

Amendment Fees

4.21 An amendment fee is charged when an applicant wishes to amend details of its application after it has been approved by Ofcom.

Table 25: ADS Restricted Service Licences Amendment Fee

	Tariff for 2008/09 (£)
ADS Restricted Service Licence Amendment Fees	
Amendment Fee	200

Radio Licensable Content Service Licences – Application and Licence Fees

4.22 Application and annual licence fees for Radio Licensable Content Service Licences have been set as shown in the following table:

Table 26: Radio Licensable Content Service Licences - Application and Licence Fees

	Tariff for 2008/09 (£)
Application fee	250
Annual licence fee	575

Digital Sound Programme Licences – Application and Licence Fees

4.23 Application and annual licence fees for Digital Sound Programme Licences have been set as shown in the following table:

Table 27: Digital Sound Programme Licences - Application and Licence Fees

	Tariff for 2008/09 (£)
Application fee	250
Annual licence fee	100

Digital Additional Services Licences – Application and Licence Fees

4.24 Application and annual licence fees for Digital Additional Services Licences have been set as shown in the following table:

Table 28: Digital Additional Services Licences - Application and Licence Fees

	Tariff for 2008/09 (£)
Application fee	250
Annual licence fee	100

Additional Services Licences – Application and Licence Fees

Application Fees

4.25 Application fees for Additional Services Licences have been set as shown in the following table:

Table 29: Additional Services Licences – Application Fees

	Tariff for 2008/09 (£)
Additional Services Licences (on National FM Services only)	
Application Fee	20,000

Annual Licence Fees

4.26 Annual licence fees for Additional Services Licences have been set as shown in the following table:

Table 30: Additional Services Licences – Licence Fees

	Tariff for 2008/09 (£)
Additional Services (on National FM Services only)	
Percentage fee of relevant turnover	10%
Minimum (per annum)	£25,000
Maximum (per annum)	£100,000

Annex 1

Analysis of Planned Expenditure and Fees and Charges for 2008/09 by Sector

	Planned Expenditure 2008/09 £	(Underspend)/ Overspend c/f from 2006/07 £	(Underspend)/ Overspend 2007/08 compared to Income £	Total Adjustment to 2008/09 Fees & Charges £	Fees & Charges for 2008/09 £	Fees & Charges for 2007/08 £	Fees Variance £	Fees Variance %
Spectrum Management (inc R&D)	75,214,313				75,214,313	73,208,893	2,005,420	2.7%
Spectrum Awards / Clearance	4,820,000				4,820,000	5,148,403	(328,403)	(6.4%)
Networks and Services	26,593,861	260,573	1,278,447	1,539,020	28,132,880	27,017,916	1,114,964	4.1%
TV Regulation Fees	23,222,183	77,595	1,680,904	1,854,414	25,076,597	25,684,074	(607,477)	(2.4%)
TV Application Fees *	375,000		95,914		375,000	445,000	(70,000)	(15.7%)
TV Broadcasting	23,597,183	77,595	1,776,818	1,854,414	25,451,597	26,129,074	(677,477)	(2.6%)
Radio Regulation Fees	2,795,937	(5,606)	(273,576)	(279,826)	2,516,111	2,684,574	(168,463)	(6.3%)
Radio Application Fees*	249,400		(643)		249,400	537,100	(287,700)	(53.6%)
Radio Broadcasting	3,045,337	(5,606)	(274,220)	(279,826)	2,765,511	3,221,674	(456,163)	(14.2%)
Other	5,199,016	(38,562)	(255,508)	(294,070)	4,904,946	6,104,775	(1,199,828)	(19.7%)
TOTAL	138,469,710	294,001	2,525,538	2,819,538	141,289,248	140,830,735	458,513	0.3%
Start Up Loan						(5,362,000)	5,362,000	
Spectrum Awards / Clearance	(4,820,000)				(4,820,000)	(5,148,403)	328,403	
TOTAL	133,649,710	294,001	2,525,538	2,819,538	136,469,248	130,320,332	6,148,916	4.7%

* (Underspend) / Overspend balances on TV & Radio application fees are included in the total adjustments to the relevant sectors regulation fees