



Ofcom's Tariff Tables 2013/14

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Section 1

Ofcom Funding for the year 1 April 2013 to 31 March 2014

Review of 2013/14 budget, 2012/13 outturn and 2013/14 fees by sector

2013/14 Budget and 2012/13 Outturn

- 1.1 Ofcom's budget for the financial year 2013/14 is £117.0m. This represents a reduction of 6.5 per cent in real terms (3.6 per cent in nominal terms) compared with its budget in 2012/13 of £121.4m. However, as in previous years, changes to the pattern of work will result in potentially material changes to the cost allocation between different sectors.
- 1.2 Ofcom's work programme for 2013/14 is set out in its Annual Plan. The draft for consultation was published on 19 December 2012 and the final version of the Annual Plan was published on 28 March 2013.
- 1.3 This is year three of a four year programme to significantly reduce expenditure across the organisation while maintaining capability and effectiveness.
- 1.4 By 2014/15, the programme will have delivered a 28.2 per cent real terms saving, benefiting both taxpayers and stakeholders. The bulk of this saving has now been delivered and Ofcom remains on course to achieve the target on schedule.
- 1.5 The budget is based on an adjusted cash basis, which includes capital expenditure and actual payments in respect of the pension schemes, but excludes depreciation.
- 1.6 Greater efficiency and one-off savings, as well as rescheduling some projects, means that Ofcom expects to complete its work for 2012/13 at £111.3m; this being £10.1m less than budget. This saving will, in line with Section 38 and Section 347 of the Communications Act 2003, be returned to stakeholders through the regulatory fees in 2013/14.
- 1.7 Although the overall fees and charges for 2013/14 have decreased compared to last year, the fees and charges for some sectors have increased. Notwithstanding this increase, the fees and charges for all sectors remain lower in real terms than those set prior to the start of the savings programme in 2010/11.
- 1.8 Specifically, sector fees and charges will change by:
 - an average decrease of 25.8% (28.1% real terms decrease*) for the postal sector;
 - an average decrease of 17.0% (19.5% real terms decrease*) for spectrum management;
 - an average decrease of 4.5% (7.4% real terms decrease*) for the TV sector;
 - an average increase of 25.0% (21.2% real terms increase*) for the radio sector; and
 - an average increase of 28.4% (24.6% real terms increase*) for network and service operators.

*Based on a RPI of 3.1% as at December 2012.

- 1.9 The analysis in Annex 1 sets out in tabular form the planned expenditure, fees and charges for 2013/14 by sector.

Allocation of 2013/14 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 stakeholders will vary from the sector average.
- 1.11 These 2013/14 Tariff Tables set out the payments due by sector, but do not include details broken down by individual stakeholder; these will remain confidential to the companies should Ofcom consider them to be commercially sensitive.

Ofcom Licence Fees and Administrative Charges

Tariff Tables - 2013/14

The following tariff tables provide Ofcom's 2013/14 fees and charges for the year from 1 April 2013 to 31 March 2014. It is split into four sections:

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

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 2011.¹
- 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 0.0833% of Relevant Turnover in the calendar year ended 31 December 2011.

Table 2: Networks and Services Administrative Charges

Bands		Relevant Turnover (£)	Fee Payable (£)
Bottom (£)	Top (£)		
0	5,000,000	0	-
5,000,000	10,000,000	5,000,000	4,165
10,000,000	25,000,000	10,000,000	8,330
25,000,000	50,000,000	25,000,000	20,825
50,000,000	75,000,000	50,000,000	41,650
75,000,000	100,000,000	75,000,000	62,475
100,000,000	150,000,000	100,000,000	83,300
150,000,000	200,000,000	150,000,000	124,950
200,000,000	300,000,000	200,000,000	166,600
300,000,000	400,000,000	300,000,000	249,900
400,000,000	500,000,000	400,000,000	333,200
500,000,000	600,000,000	500,000,000	416,500
600,000,000	750,000,000	600,000,000	499,800
750,000,000	1,000,000,000	750,000,000	624,750
Above £1,000,000,000		Actual Relevant Turnover	0.0833%

Monthly Payment

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

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 2013/14.

Table 3: Electronic Communications Code Annual Administrative charges

	Tariff for 2013/14 (£)
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 2013/14 (£)
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, Local Digital Television Programme Service 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 2011. 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 / Local Revenues	Category A PSB Simulcast Revenues	Category B Revenues
Bands			
£0m - £10m	0.12420%	0.12420%	0.02919%
£10m - £35m	0.18630%	0.18630%	0.05845%
£35m - £75m	0.27945%	0.27945%	0.11689%
£75m - £300m	0.41917%	0.41917%	0.23377%
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, 0.12420% is charged on the first £10m of Relevant Turnover;
0.18630% on the next £25m;
0.27945% on the next £40m and
0.41917% on the next £225m.

Monthly Payment

- 3.3 If the annual licence fee calculated is more than £75,000, Ofcom will allow payment of the amount due in equal monthly instalments.

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 2013/14 (£)
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 2013/14 (£)
Digital Multiplex	
Fee per annum	10,000
Application / Renewal fee	25,000
Local Multiplex	
Fee per annum	5,000
Application / Renewal fee	10,000

Teleshopping channels

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

Table 8: Category E Licence Fees

	Tariff for 2013/14 (£)
Shopping Channels	
Fee per annum	2,000

Application Fees

3.6 Application fees are shown below:

Table 9: Application Fees

	Tariff for 2013/14 (£)	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
Public Service-Digital Television Programme Service	15,000	1,000
Local Digital Television Programme Service	2,500	1,000

Note: When the request to vary a PS-DTPS is made by a person who is a relevant public service broadcaster by virtue of holding a Channel 3 licence, and that variation is made on behalf of all the holders of regional Channel 3 licences who also hold PS-DTPS licences, this will typically be deemed as one variation request to which one variation fee is applicable.

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 2013/14 (£)	
	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 2011.

Table 11: National and Local Licence Fees

Bands			Tariff for 2013/14 % of Relevant Turnover
£0m	-	£1m	0.139%
£1m	-	£5m	0.209%
Over		£5m	0.313%

Monthly Payment

4.3 If the licence fee for a national or local licence is more than £5,000, Ofcom will allow payment of the amount due in equal monthly instalments.

De Minimis Threshold

4.4 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

4.5 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 2013/14 (£)	
	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

4.6 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 2013/14 (£)
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

4.7 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 2013/14 (£)
National radio multiplex licences	10,000
Local radio multiplex licences	500

Community radio – Application and Licence Fees

4.8 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 2013/14 (£)
Application fee	600
Annual licence fee	600

4.9 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 2013/14 is shown in Table 11 which is reproduced below. Any amount due will be offset against the £600 already paid.

Bands	Tariff for 2013/14 % of Relevant Turnover
£0m - £1m	0.139%
£1m - £5m	0.209%
Over £5m	0.313%

Reproduced from table 11

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

Application Fees

4.10 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 2013/14 (£)
Restricted Service Licence (Short-term) Application Fees	
Application Fee	400

Licence Fees

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

4.11 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

4.12 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

4.13 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 2013/14 (£)
Restricted Service Licence (Short-term) Amendment Fee	
Amendment Fee	200

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

Application Fees

4.14 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 2013/14 (£)
Restricted Service Licence (Long-term) Application Fees	
Application Fee	200

Annual Licence Fees

4.15 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

4.16 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 2013/14 (£)
Restricted Service Licence (Long-term) Amendment Fees	
Amendment Fee	200

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

Application Fees

4.17 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 2013/14 (£)
ADS Restricted Service Licence Application Fees	
Application Fee	200

Annual Licence Fees

4.18 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

4.19 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 2013/14 (£)
ADS Restricted Service Licence Amendment Fees	
Amendment Fee	200

Radio Licensable Content Service Licences – Application and Licence Fees

4.20 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 2013/14 (£)
Application fee	250
Annual licence fee	575

Digital Sound Programme Licences – Application and Licence Fees

4.21 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 2013/14 (£)
Application fee	250
Annual licence fee	100

Digital Additional Services Licences – Application and Licence Fees

4.22 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 2013/14 (£)
Application fee	250
Annual licence fee	100

Additional Services Licences – Application and Licence Fees

Application Fees

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

Table 29: Additional Services Licences – Application Fees

	Tariff for 2013/14 (£)
Additional Services Licences (on National FM Services only)	
Application Fee	20,000

Annual Licence Fees

4.24 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 2013/14 (£)
Additional Services (on National FM Services only)	
Percentage fee of relevant turnover	10%
Minimum (per annum)	£25,000
Maximum (per annum)	£100,000

Section 5

Post Charges

Administrative Charges for the Postal Sector

- 4.1 The allocation of costs is determined in accordance with the methodology described in the Statement of Charging Principles for Postal Operators published on 28 March 2012².
- 4.2 Post administrative charges are payable by those postal operators which have generated relevant turnover³ exceeding £10m in the 12 month period ended 31 March 2012.
- 4.3 The 2013/14 administrative charge for the postal sector is £4.05m. As the universal service provider is the only postal operator that meets the relevant turnover threshold, this amount will be charged only to the universal service provider for 2013/14.

Monthly Payment

- 4.4 If the annual administrative charge as calculated above is more than £75,000, Ofcom will allow payment of the amount due in equal monthly instalments.

² <http://stakeholders.ofcom.org.uk/consultations/post-socp/>

³ As defined in the Statement of Charging Principles – Postal Operators

Annex 1

Analysis of Planned Expenditure and Fees and Charges for 2013/14 by Sector

Sector	Planned Expenditure 2013/14 £	Variance c/f from 2011/12 £	2012/13 Outturn compared to Income £	Total Adjustment to 2013/14 Fees & Charges £	Fees & Charges for 2013/14 £	Fees & Charges for 2012/13 £	Fees Variance £	Fees Variance %
Spectrum Management	£53.18m	-	£0.04m	£0.04m	£53.22m	£64.12m	(£10.90m)	(17.0%)
Networks and Services	£35.12m	(£0.34m)	£0.13m	(£0.20m)	£34.91m	£27.18m	£7.73m	28.4%
<i>TV Regulation Fees</i>	£16.90m	£0.42m	(£2.28m)	(£1.94m)	£14.96m	£15.81m	(£0.84m)	(5.3%)
<i>TV Application Fees [1]</i>	£0.35m	(£0.07m)	-	-	£0.35m	£0.23m	£0.12m	49.9%
TV Broadcasting	£17.25m	£0.35m	(£2.28m)	(£1.94m)	£15.32m	£16.04m	(£0.72m)	(4.5%)
<i>Radio Regulation Fees</i>	£1.75m	(£0.05m)	(£0.14m)	(£0.21m)	£1.54m	£0.97m	£0.57m	58.6%
<i>Radio Application Fees [1]</i>	£0.39m	(£0.03m)	-	-	£0.39m	£0.57m	(£0.18m)	(32.1%)
Radio Broadcasting	£2.14m	(£0.07m)	(£0.14m)	(£0.21m)	£1.93m	£1.54m	£0.39m	25.0%
Post Regulation	£6.46m	£0.18m	(£2.60m)	(£2.41m)	£4.05m	£5.46m	(£1.41m)	(25.8%)
<i>Online Copyright Infringement</i>	£1.17m	-	(£0.01m)	(£0.01m)	£1.16m	£2.56m	(£1.40m)	(54.6%)
<i>Other</i>	£1.70m	(£0.0m)	(£0.17m)	(£0.17m)	£1.53m	£0.77m	£0.76m	99.2%
Other	£2.87m	(£0.0m)	(£0.18m)	(£0.18m)	£2.69m	£3.33m	(£0.64m)	(19.1%)
TOTAL	£117.02m	£0.11m	(£5.02m)	(£4.91m)	£112.11m	£117.67m	(£5.55m)	(4.7%)
MoD Spectrum Release [2]	£2.53m	-	-	-	£2.53m	-	£2.53m	-
Spectrum Awards / Clearance	£20.49m	-	(£7.08m)	(£7.08m)	£13.40m	£51.38m	(£37.98m)	(73.9%)

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

[2] This is incremental work done to support the Ministry of Defence (MoD) plans to release around 200 MHz of spectrum in the 2.3 GHz and 3.4 GHz spectrum bands. For more information, please refer to the Ofcom 2013/14 Annual Plan (www.ofcom.org.uk/about/annual-reports-and-plans/annual-plans/)