

Ofcom Tariff Tables 2018/19

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1. Ofcom Funding for the year 1 April 2018 to 31 March 2019

Review of 2018/19 budget, 2017/18 outturn and 2018/19 fees by sector

2018/19 Budget and 2017/18 Outturn

- 1.1 Ofcom's budget for the financial year 2018/19 is £124.2m. This represents an increase of £2.4m (decrease of 0.1% real terms*) from the 2017/18 budget and is purely reflective of HMT's approved increase in our 2018/19 spending cap to enable us carry out new or expanded roles in respect of broadband universal service and cybersecurity.
- 1.2 Ofcom's work programme for 2018/19 is set out in its Annual Plan. The proposal for consultation was published on 1 December 2017 and the final version of the Annual Plan has been published alongside these Tariff Tables, on 28 March 2018.
- 1.3 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.
- 1.4 Ofcom expects to complete its work for 2017/18 at £121.7m; this is in line with our 2017/18 budget. However, there will be sectorial variances and in line with our duties under the Communications Act 2003 and the Postal Services Act 2011, any sectoral variances to budget have been taken into account in setting the regulatory fees and charges for 2018/19.

2018/19 fees by Sector

- 1.5 Although Ofcom's budget for 2018/19 has increased from last year, the fees and charges will vary by sector as they reflect the planned work for 2018/19 and the expected variances to the 2017/18 budget. The expected variances to the current budget reflect the current work plan and thus will differ each year.
- 1.6 Specifically, sector fees and charges compared to 2017/18 will change by:
 - an average decrease of 10.4% (12.2% real terms decrease*) for the Radio sector and is driven by the reduced level of planned expenditure in 2018/19;
 - whilst the overall TV sector which includes the BBC shows an average decrease of 1.8% (3.8% real terms decrease*), the underlying charges for the sector excluding the BBC have increased primarily due to a lower level of expected savings in 2017/18 (compared to 2016/17).
 - An increase of 12.2% (9.9% real term increase*) for the Post sector. Whilst the planned expenditure for 2018/19 in the sector has decreased compared to 2017/18, the administrative charge also incorporates the required prior year adjustment which offsets this saving.

- An average increase of 4.6% (2.5% real terms increase*) for the Networks & Services sector. This reflects the incremental costs of both the Broadband Universal Service Obligation and cybersecurity.
- 1.7 The analysis in Annex 1 sets out in tabular form the planned expenditure, fees and charges for 2018/19 by sector. This includes our costs incurred from spectrum management and the performance of other statutory duties where we cannot charge fees, which are now funded by the retention of receipts received under the Wireless Telegraphy Act 2006¹.
- 1.8 The use of relevant turnover in determining variable fees and charges means that actual costs for some individual stakeholders will vary from the sector average.

Allocation of 2018/19 costs across sectors

- 1.9 The allocation of costs to the broadcasting and networks and services sectors is determined in accordance with the methodology described in the Statement of Charging Principles (as amended) (SoCP) published on 8 February 2005². The allocation of costs for the postal sector is determined in accordance with the methodology described in the Statement of Charging Principles: Postal Services, published on 28 March 2012³.
- 1.10 Planned costs associated with the regulation of on-demand programme services (ODPS) in 2018/19 including savings from the 2017/18 financial year total £87k. The broadcasting licence fees do not include any costs associated with ODPS.
- 1.11 These 2018/19 Tariff Tables set out the payments due by sector, but do not include details broken down by individual stakeholder.

¹ https://www.ofcom.org.uk/__data/assets/pdf_file/0017/107702/statement-principles-wta.pdf

² https://www.ofcom.org.uk/__data/assets/pdf_file/0019/51058/charging_principles.pdf. The SoCP was amended on 20 December 2011 with respect to the definition of “relevant activity” - https://www.ofcom.org.uk/__data/assets/pdf_file/0022/76612/statement-final.pdf

³ https://www.ofcom.org.uk/__data/assets/pdf_file/0028/53893/socp-post-statement.pdf.

On 27 July 2017, Ofcom published a consultation reviewing the funding for Ofcom's administrative charges for postal services (see Ofcom, Recovering postal regulation and consumer advocacy costs - a review, Consultation, 27 July 2017, https://www.ofcom.org.uk/__data/assets/pdf_file/0019/105238/consultation-postal-regulation-review.pdf). This review proposed changes to the basis on which Ofcom's administrative charges for postal regulation are recovered. The consultation period closed on 21 September 2017. We expect to publish a document shortly setting out how we intend to proceed. Any modifications to the SoCP made as a result of this review, and which take effect before 31 March 2018, will apply from 1 April 2018, and supersede the 2012 SoCP referenced in this document

2. Ofcom Licence Fees and Administrative Charges

Tariff Tables - 2018/19

The following tariff tables provide Ofcom's 2018/19 fees and charges for the year from 1 April 2018 to 31 March 2019. It is split into four sections:

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

3. Networks and Services Charges

Administrative Charges for the Networks and Services Sector

- 3.1 Networks 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 2016⁴.
- 3.2 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.
- 3.3 The administrative charge is based on 0.1160% of Relevant Turnover in the calendar year ended 31 December 2016.

⁴ 'Relevant Persons' are those providers of Electronic Communications Networks, Electronic Communications Services or Associated Facilities, as set out in the following designation made under section 38 of the Communications Act 2003: The concept of 'Relevant Turnover' for the purposes of calculating Networks and Services Charges is detailed further in Ofcom's SoCP – see footnote 2 for the link to this document on our website.

<http://stakeholders.ofcom.org.uk/binaries/consultations/designation/statement/designation.pdf>

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	5,800
10,000,000	25,000,000	10,000,000	11,600
25,000,000	50,000,000	25,000,000	29,000
50,000,000	75,000,000	50,000,000	58,000
75,000,000	100,000,000	75,000,000	87,000
100,000,000	150,000,000	100,000,000	116,000
150,000,000	200,000,000	150,000,000	174,000
200,000,000	300,000,000	200,000,000	232,000
300,000,000	400,000,000	300,000,000	348,000
400,000,000	500,000,000	400,000,000	464,000
500,000,000	600,000,000	500,000,000	580,000
600,000,000	750,000,000	600,000,000	696,000
750,000,000	1,000,000,000	750,000,000	870,000
Above £1,000,000,000		Actual Relevant Turnover	0.1160%

Monthly Payment

3.4 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.

Administrative Charges for the Electronic Communications Code

Annual Administrative Charge

3.5 Persons to whom the Electronic Communications Code (the 'Code') has been applied⁵ and who have therefore been granted 'Code powers' must pay an annual administrative fee. The fee is as specified in Table 3 below for 2018/19.

Table 3: Electronic Communications Code Annual Administrative charges

	Tariff for 2018/19 (£)
Annual Administrative Charge	1,000

⁵ Section 106 of the Communications Act 2003.

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

Application Fee

3.7 Persons who have been granted Code powers 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 2018/19 (£)
Application Charge	10,000

4. Television Licence Fees

4.1 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 Television Licensable Content Service ('TLCS' licences where content is simulcast);
- ii) **Category B** – TLCS 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.

4.2 The tariffs for categories A and B relate to the licensee's Relevant Turnover⁶ for the year ended 31 December 2016. The tariffs are progressive in that licensees pay proportionately 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.

⁶ The concept of 'Relevant Turnover' for the purposes of calculating Television Licence fees is detailed in Ofcom's SoCP – see footnote 2 for the link to this document on our website.

Category A and B licence fees

Table 5: Category A and B Licence Fees

Relevant Turnover	Category A PSB / Local TV Revenues	Category A PSB Simulcast Revenues	Category B Revenues
Bands			
£0m - £10m	0.11544%	0.11544%	0.01642%
£10m - £35m	0.17315%	0.17315%	0.03288%
£35m - £75m	0.25973%	0.25973%	0.06576%
£75m - £300m	0.38960%	0.38960%	0.13153%
Over £300m	0.00000%	0.00000%	0.00000%

Notes:

- i) Minimum Fee = £1,000
- ii) Rates are expressed cumulatively, e.g. for Category A licensees, 0.11544% is charged on the first £10m of Relevant Turnover;
 - 0.17315% on the next £25m;
 - 0.25973% on the next £40m and
 - 0.38960% on the next £225m.

Monthly Payment

- 4.3 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

- 4.4 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 2018/19 (£)
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 2018/19 (£)
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

Table 8: Category E Licence Fees

	Tariff for 2018/19 (£)
Shopping Channels	
Fee per annum	2,000

Application Fees

4.5 Application fees are shown below:

Table 9: Application Fees

	Tariff for 2018/19 (£)	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 (PS-DTPS)	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.

5. Radio Licence Fees

National and Local Licences - Application and Licence Fees

Application Fees

5.1 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 2018/19 (£)	
	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

5.2 Annual licence fees are calculated as a percentage of the annual Relevant Turnover⁷ obtained from the licence for the calendar year ended 31 December 2016.

Table 11: National and Local Licence Fees

Bands		Tariff for 2018/19 % of Relevant Turnover
£0m	- £1m	0.093%
£1m	- £5m	0.140%
Over	£5m	0.210%

⁷ The concept of 'Relevant Turnover' for the purposes of calculating Radio Licence fees is detailed in Ofcom's SoCP – see footnote 2 for the link to this document on our website.

Monthly Payment

- 5.3 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

- 5.4 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

- 5.5 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 2018/19 (£)	
	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

- 5.6 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 2018/19 (£)
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

5.7 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 2018/19 (£)
National radio multiplex licences	10,000
Local radio multiplex licences	500

Community radio – Application and Licence Fees

5.8 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 2018/19 (£)
Application fee	600
Annual licence fee	600

5.9 Any relevant turnover 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 2018/19 is shown in Table 11 which is reproduced below. Any amount due will be offset against the £600 already paid.

Bands			Tariff for 2018/19 % of Relevant Turnover
£0m	-	£1m	0.093%
£1m	-	£5m	0.140%
Over		£5m	0.210%

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

Application Fees

5.10 A non-refundable fee is required for a short-term restricted service licence (RSLs) application, as follows:

Table 16: Short term RSLs Application fee

	Tariff for 2018/19 (£)
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

5.11 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

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

Amendment Fees

5.13 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 RSLs Amendment Fee

	Tariff for 2018/19 (£)
Restricted Service Licence (Short-term) Amendment Fee	
Amendment Fee	200

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

Application Fees

5.14 A non-refundable fee is required for a long-term RSLs application, as follows:

Table 20: Long-Term RSLs Application Fee

	Tariff for 2018/19 (£)
Restricted Service Licence (Long-term) Application Fees	
Application Fee	200

Annual Licence Fees

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

Table 21: Long Term RSLs

	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

5.16 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 RSLs Amendment Fee

	Tariff for 2018/19 (£)
Restricted Service Licence (Long-term) Amendment Fees	
Amendment Fee	200

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

Application Fees

5.17 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 2018/19 (£)
ADS Restricted Service Licence Application Fees	
Application Fee	200

Annual Licence Fees

5.18 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

5.19 An amendment fee is charged when an applicant wishes to amend details of its application after it has been approved by Ofcom. It has been set as follows:

Table 25: ADS Restricted Service Licences Amendment Fee

	Tariff for 2018/19 (£)
ADS Restricted Service Licence Amendment Fees	
Amendment Fee	200

Radio Licensable Content Service Licences – Application and Licence Fees

5.20 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 2018/19 (£)
Application fee	250
Annual licence fee	575

Digital Sound Programme Licences – Application and Licence Fees

5.21 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 2018/19 (£)
Application fee	250
Annual licence fee	100

Digital Additional Services Licences – Application and Licence Fees

5.22 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 2018/19 (£)
Application fee	250
Annual licence fee	100

Additional Services Licences – Application and Licence Fees

Application Fees

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

Table 29: Additional Services Licences – Application Fees

	Tariff for 2018/19 (£)
Additional Services Licences (on National FM Services only)	
Application Fee	20,000

Annual Licence Fees

5.24 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 2018/19 (£)
Additional Services (on National FM Services only)	
Percentage fee of relevant turnover	10%
Minimum (per annum)	£25,000
Maximum (per annum)	£100,000

6. Post Charges

Administrative Charges for the Postal Sector

- 6.1 The allocation of costs is determined in accordance with the methodology described in the Statement of Charging Principles(SoCP) for Postal Operators published on 28 March 2012⁸.
- 6.2 The 2018/19 administrative charge for the postal sector is £3.21m. This amount will be recovered from the relevant Postal Operators as described in the soon to be published SoCP for Postal Operators.

Monthly Payment

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.

⁸ <http://stakeholders.ofcom.org.uk/consultations/post-socp/> . On 27 July 2017, Ofcom published a consultation reviewing the funding for Ofcom's administrative charges for postal services (see Ofcom, Recovering postal regulation and consumer advocacy costs - a review, Consultation, 27 July 2017, https://www.ofcom.org.uk/_data/assets/pdf_file/0019/105238/consultation-postal-regulation-review.pdf). This review proposed changes to the basis on which Ofcom's administrative charges for postal regulation are recovered. The consultation period closed on 21 September 2017. We expect to publish a document shortly setting out how we intend to proceed. Any modifications to the SoCP made as a result of this review, and which take effect before 31 March 2018, will apply from 1 April 2018, and supersede the 2012 SoCP referenced in this document

A1. Analysis of Planned Expenditure, Fees and Charges for 2018/19 by Sector

Sector	Planned Expenditure 2018/19 £	Variance c/f from 2016/17 £	2017/18 Outturn compared to Income £	Total Adjustment to 2018/19 Fees & Charges £	Fees & Charges for 2018/19 £	Fees & Charges for 2017/18 £	Fees Variance £	Fees Variance %
Spectrum Management	£48.68m	-	£0.15m	£0.15m	£48.83m	£47.92m	£0.91m	1.9%
Networks and Services	£46.48m	£0.67m	(£0.34m)	£0.34m	£46.81m	£44.73m	£2.08m	4.6%
<i>TV Regulation Fees [1]</i>	£21.38m	(£0.16m)	(£1.79m)	(£1.85m)	£19.54m	£20.08m	(£0.55m)	(2.7%)
<i>TV Application Fees [2]</i>	£0.49m	(£0.03m)	£0.14m		£0.49m	£0.31m	£0.18m	58.4%
TV Broadcasting	£21.87m	(£0.19m)	(£1.65m)	(£1.85m)	£20.03m	£20.39m	(£0.37m)	(1.8%)
<i>Radio Regulation Fees [1]</i>	£1.93m	£0.01m	(£0.36m)	(£0.40m)	£1.53m	£1.68m	(£0.14m)	(8.6%)
<i>Radio Application Fees [2]</i>	£0.29m	(£0.02m)	(£0.03m)		£0.29m	£0.36m	(£0.07m)	(18.7%)
Radio Broadcasting	£2.23m	(£0.0m)	(£0.40m)	(£0.40m)	£1.83m	£2.04m	(£0.21m)	(10.4%)
Post Regulation	£3.44m	£0.01m	(£0.23m)	(£0.22m)	£3.21m	£2.86m	£0.35m	12.2%
Other	£1.46m	£0.0m	(£0.13m)	(£0.13m)	£1.34m	£2.70m	(£1.36m)	(50.5%)
TOTAL	£124.15m	£0.49m	(£2.60m)	(£2.11m)	£122.04m	£120.64m	£1.40m	1.2%
UHF 700MHz Spectrum Clearance	£79.70m	-	£0.0m	£0.0m	£79.70m	£89.59m	(£9.89m)	(11.0%)

[1] Includes fixed licence fees and Video On Demand fees
[2] Variance to budget on TV & Radio application fees are included in the total adjustments to the relevant sectors regulation fees