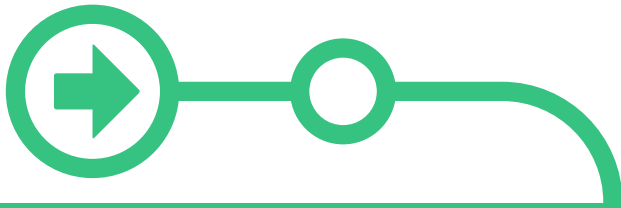


SECTION A

PERFORMANCE

This section sets out how we have performed against the objectives set out in Ofcom's Plan of Work. We look at the impact of our work on behalf of people and businesses in the UK.

Highlights for 2022/23



Investment in strong, secure networks

- **Better broadband** - new regulations, set in March 2021 and designed to incentivise and support investment in new full-fibre networks, are having a positive effect. Full-fibre-based networks are expanding rapidly, with over 50% of households across the UK in March passed by at least one provider, amounting to growth of 17 percentage points in just over a year - and a near seven-fold increase compared to five years ago.
- **The future of mobile** - demand for mobile services continues to grow rapidly. Investment is needed to support networks. To encourage investment, we clarified our future approach to the mobile market and the allocation of airwaves. To help people make informed decisions about which mobile provider to use, we are developing better information on network quality.
- **Safe and secure networks** - new duties introduced under the Telecommunications (Security) Act 2021 will help us protect people with safe and secure networks. We are working closer than ever before with industry to support security and resilience. We continued to help implement the UK Government's strategy on vendor diversification, designed to ensure a competitive, innovative, secure and resilient telecoms supply market.

Getting everyone connected

- **Affordable, reliable post** - following a review of the future of postal regulation, postal users will continue to have access to the simple, affordable and reliable services. New rules mean greater protections for parcel customers too.
- **Universal mobile** - getting a good mobile signal is essential for people to keep in touch, live and work on the move. We oversaw the progress of mobile operators in building a Shared Rural Network to improve reception in hard-to-reach areas, including travelling 42,000 miles to test coverage and ensure operators are providing accurate data.
- **Universal telecoms** - we continue to implement the Broadband Universal Service Obligation scheme meaning decent broadband is now accessible to thousands more homes. We made decisions to protect call boxes where they are still needed most and to remove requirements around the provision of fax machine services.

Fairness for customers

- **Affordable phone and broadband** - with living costs rising, we pushed more providers to offer social tariffs, and urged those who do so to promote them more effectively. Take-up has increased significantly, but millions more could still benefit.
- **Protecting consumers** - customers should get the right information, at the right time, about their contracts – helping them make better choices, often saving money as a result. We constantly monitor compliance with our rules, opening investigations where we think providers may be falling short.
- **Tackling scams** - scams cause financial and emotional harm to millions of people, especially the most vulnerable. Our intervention means providers must do more to help prevent telephone numbers being misused. We also raised awareness of nuisance calls through social media and other channels.

Enabling wireless services in the broader economy

- **Freeing spectrum** - radio spectrum, a finite national resource, is the wireless infrastructure that supports modern lives, businesses and the digital economy. We identified new spectrum that can support growing and innovative services using mobile devices, drones and satellites, and explored how it could be freed up and released to organisations who want to offer these services.
- **Commonwealth Games support** - we worked closely with the organising committee of the Birmingham 2022 Commonwealth Games to deliver a highly successful event. Our spectrum team issued priority spectrum licences for a variety of critical wireless equipment such as microphones, cameras, in-ear monitors and walkie-talkies, providing us with further operational experience that we can apply to similar major sporting and cultural events going forward.
- **Space strategy** - people living in rural areas and passengers on planes and ships stand to receive better broadband, after we announced more airwaves for satellite services, doubling the capacity available.

Supporting and developing UK media

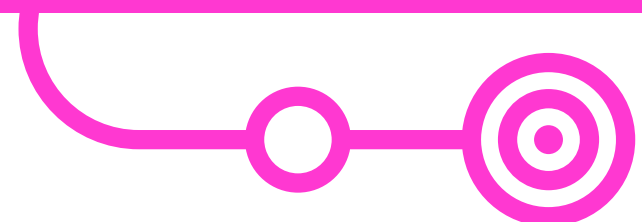
- **Ensuring diversity in broadcasting** - the broadcasting sector should be as diverse as the audiences it serves. We have expanded the breadth of data we collect on broadcasters' workforces to help promote equity, diversity and inclusion, after we identified further improvements the sector needed to make. We published a new framework and guidance on how we collect and use this diversity data.
- **Making sure regulation is fit for purpose** - we have continued to work with the Government and with industry to make sure regulation keeps pace with changes in the sector and in audience behaviours. We will continue to work with the Government to make sure its proposed new regulatory system, under the Media Bill, works for audiences, and we have already expanded our work examining the impacts of new and emerging technologies.
- **Regulating the BBC** - we completed a review of how we regulate the BBC, and how it engages with audiences, competitors and complainants. This review led to an updated Operating Licence for the BBC. In our annual report on the BBC we found that while it continues to deliver its remit, audiences from lower socio-economic groups are less likely to use its services and are less satisfied with it as a whole.

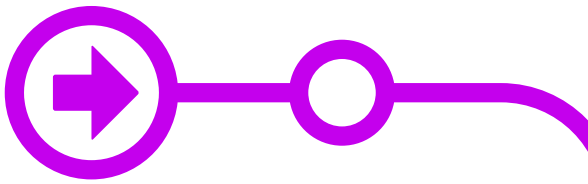
Serving and protecting audiences

- **Upholding broadcast standards** - we have continued to set and enforce broadcast standards, to protect audiences from harmful content on TV and radio, and to take into account the importance of broadcasters' right to freedom of expression. This year we assessed 36,908 complaints, completed 78 investigations and found 70 cases in breach of our broadcasting rules.
- **New digital radio services** - this year we have continued to license new small-scale DAB digital radio services across the UK. Our licensing programme in this area has led to 177 new digital radio stations being on air around the UK, giving listeners access to a range of local and specialist content that meets their needs.
- **Making sure content is accessible for all** - we have continued to enforce minimum requirements for access services such as subtitles, audio description and signing. We found Channel 4 breached the conditions of its broadcast licence following an extended outage of its access services in 2021. It fell short of a requirement to subtitle 90% of its programme hours on Freesat and failed to communicate with audiences about the incident. A separate review found organisations who deliver broadcasting services should review the contingency plans they have in place for transmission failures. We also launched a review of our guidelines for broadcast accessibility, including specific guidance around on-demand.

Establishing regulation of online safety

- **Preparing for new powers** - we set out a roadmap to regulation, including what we expect of regulated firms and what we will do in the first 100 days after our online safety powers are granted. We published two calls for evidence, one focusing on illegal content risks and mitigations and transparency requirements and the other on risks to children and how they can be reduced.
 - **Expanding our expertise** - ahead of taking on our new powers, we continued to grow our expertise in digital technologies, data analytics and cyber security, with new hires from major tech firms, academia and the policy world. We grew our Data and Innovation Hub and our Hub in Manchester.
- We also announced a new leader for our Online Safety Group, former Google executive Gill Whitehead.
- **Video-sharing platforms** - we used our statutory information gathering powers to feed into a report on what video-sharing platforms are doing to protect their users, finding many platforms are ready for regulation. The report set out our key findings from the first year of regulation. We have built a comprehensive baseline knowledge of the VSP sector through our programme of research, supervisory engagement and information gathering. While all platforms have safety measures in place, more robust measures are needed to prevent children accessing pornography.





Progress on delivering our Plan of Work

This section sets out what we have done during the year in our priority areas, and the impact for people and businesses.

Every March, we publish Ofcom's Plan of Work. This sets out what we intend to deliver over the coming financial year, to make communications work for everyone across the UK and its Nations.

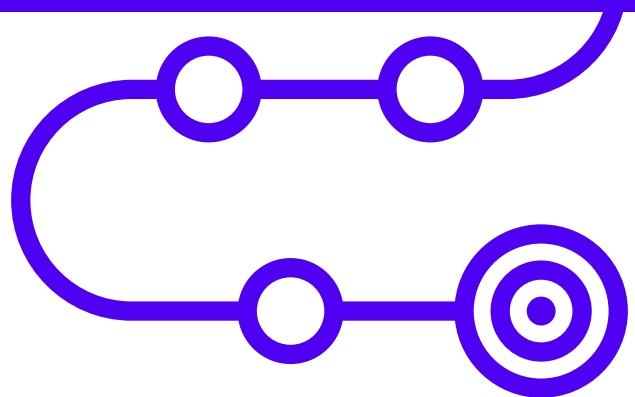
The work areas set for 2022/23 considered what was happening in the communications market and the evolving needs of people and businesses, against the backdrop of dynamic sectors which continue to invest and innovate, as well as high levels of inflation. Our plan recognised the increasing reliance on the UK's communications networks for the way we live, work, shop and use public services.

We consult on our plan every year to make sure it reflects the feedback we receive from interested parties as well as fulfilling Ofcom's duties. The Plan of Work also includes our work programme, which explains the key activities for the year.



Note to the reader: This Annual Report covers the period 1 April 2022 to 31 March 2023. Throughout the text, "this year" refers to that financial year.

Similarly, unless where indicated, months refer to the relevant month within the financial year. For example, "August" means August 2022; "January" means January 2023.



Investment in strong, secure networks

The UK's phone and broadband networks must keep improving to meet the UK's future needs. Ofcom's rules provide the flexibility and stability for investment to make that happen.

What we did – in brief

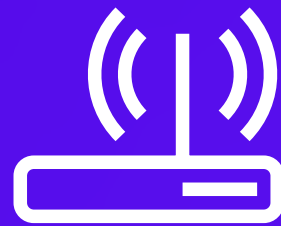
- Better broadband is reaching more people. The proportion of homes able to get ultrafast, full-fibre internet has risen this year from around a third to more than half. As of March, some 14.8m households across the UK can access at least one full-fibre network, a rise of over 5m premises in a year and a seven-fold increase from five years ago.
- Mobile markets have seen investment, competition and innovation – meaning customers have a wide choice of services, at prices that compare well with other countries. Our review of this sector means we can react quickly to maintain these benefits in a fast-changing market.
- We are using new powers introduced by the Telecommunications (Security) Act 2021 to ensure phone and broadband firms prioritise the security and resilience of their networks.

Why this matters

- People rely on communications networks to live, work, shop and use public services – from video calls to remote working, online gaming, banking and healthcare. The average UK home now consumes almost six terabytes of data each year. We need fast, affordable broadband and mobile connections to extend to every part of the country.
- The new generation of gigabit-capable broadband networks are up to 30 times faster – and much more reliable – than the older copper lines they replace. 5G mobile networks are not only faster than previous generations, but also offer better coverage and capacity, opening up the potential for new, innovative services.
- As we depend on these networks, they must be strong, secure and resilient to outages and cyberattacks. People's expectations of the quality of service from these networks has never been higher.

“Some 14.8m households across the UK can access at least one full-fibre network, a rise of over 5m premises in a year and a seven-fold increase from five years ago”





70%

By September 2022, 70% of homes (20.8m) could access gigabit-capable broadband, compared to 47% (13.7m) in 2021.

Full-fibre based networks are expanding rapidly, with over 50%/14.8m premises in the UK in March passed by at least one provider, growth of 17 percentage points and 5.2m additional premises in just over a year - a near seven-fold increase compared to just five years ago.

Our work this year

Faster, more reliable broadband

In March 2021, at the conclusion of our Wholesale Fixed Telecoms Market Review, we put in place new regulations to help shape the UK's fixed network future. These rules will remain in place until March 2026. So far, they have succeeded in promoting investment in gigabit broadband.

This is translating into bigger, faster networks. By September 2022, 70% of homes (20.8m) could access gigabit-capable broadband, compared to 47% (13.7m) in 2021. Full-fibre-based networks are expanding rapidly, with over 50%/14.8m households across the UK in March passed by at least one provider, growth of 17 percentage points and 5.2m additional premises in just over a year – a near seven-fold increase compared to just five years ago.

This is being achieved by a combination of larger operators (Openreach and Virgin Media O2) supported by several newer providers across the UK. These smaller firms are doubling their collective footprint each year, and together they expect to reach 11.5m homes by the end of 2023.

As the market develops, we have an important role in ensuring that competition plays out fairly. We continue to monitor the compliance and effectiveness of commitments made by BT Group, and the behaviour of both BT Group and its network arm, Openreach. This year, we examined a new full-fibre pricing offer from Openreach (known as Equinox 2). After an extended period of review, in May 2023 we found that it did not raise any competition concerns requiring us to intervene and we will continue to monitor the fixed telecoms market.

Separately, we expanded our work related to the information provided to consumers on their broadband service. On quality of service, we now measure more of the factors that can affect broadband users' experiences. We also examined what extra information can support choice, investment and quality in the market. For example, we commissioned research on people's understanding of broadband terms, and proposed new guidance to promote clear, consistent language in how providers describe different types of connection.

Digital markets

Completing the networks of the future will take several years. As more homes and offices are connected, we are continuing our wider work to promote investment and improve internet services for everyone using fixed and mobile networks:

- **Net neutrality:** People should control what they see and do online – not the broadband provider that connects them. In October 2022, we proposed new guidance for broadband and mobile firms to implement these 'net neutrality' laws. We consulted on greater flexibility for internet service providers to manage their networks and develop innovative products for users and content creators, while protecting users' rights to access the open internet.
- **Cloud market study:** Ofcom needs to keep pace with developments in digital markets, such as emerging technologies or changes in business models and supply chains. We have started a programme of work to examine these markets and identify any competition concerns, beginning in October 2022 with a year-long market study into cloud infrastructure services. The two leading providers in this market are Amazon and Microsoft. Google is their closest competitor. Cloud computing has become critical for many businesses across the economy – including telecoms companies, broadcasters and public sector organisations – and has transformed the way they deliver services on which we all rely every day. It uses data centres around the world to provide remote access to services such as software, storage and networking. In April 2023, we proposed to refer the market to the Competition and Markets Authority for further investigation. We also laid out plans for a broader programme of work to examine other digital markets – including online personal communications apps, such as WhatsApp, FaceTime and Zoom, and smart TVs and speakers.

The future of mobile

Demand for mobile services is expected to continue to grow rapidly as more use is made of data-hungry services. In December we set out views on how mobile markets may develop over the next ten years; how networks might need to evolve; and the potential implications for radio spectrum, the finite resource that wireless devices and networks need to operate around the UK.

People need to make informed decisions about which mobile provider to use, which in turn encourages firms to improve. To support this, we have begun developing better information on network quality. We are also analysing customer-level data to measure the performance of the market, including pricing trends.

To encourage investment, we clarified our future approach to the mobile market and the allocation of airwaves. That includes a commitment to set out clearly how any future changes we make to regulation impacts the need for investment. We expect that existing mobile spectrum holdings, together with additional airwaves planned for release, could meet future demand until 2030 and beyond – with the help of technology improvements and more mobile sites.



Keeping networks safe and secure

In October, Ofcom took on new duties introduced under the Telecommunications (Security) Act 2021 to ensure the UK's telecoms networks are safe and secure.

We published guidance on how we will carry out our new role, and the kind of incidents we would expect providers to report to us. We also updated our 2017 guidance on security and resilience requirements to reflect the new rules.

We are working more closely than ever before with industry to support security and resilience. And we continue to operate a threat intelligence-led penetration testing scheme (TBEST) to assess how well operators of essential services are managing risks to their security.

Diversifying telecoms

We continued to help implement the UK Government's strategy of increasing the number of manufacturers in the supply chain for 5G mobile. This diversification is intended to ensure a competitive, innovative, secure and resilient telecoms supply market.

We worked with telecoms network vendors and operators to participate in our SONIC Labs initiative. This programme, a collaboration between Digital Catapult - the UK authority on advanced digital technology - and Ofcom which has been in place since 2021, tests how well alternative network products can operate and integrate.

We also continued to participate in the UKTL (UK Telecoms Lab) Programme Board, set up to support the Government's objectives. Alongside that, we have taken a more detailed view on network security by joining the OpenRAN Alliance, a global community of industry, researchers and academics that aims to make networks more intelligent, open and compatible.

Telecoms security

Since 1 October, Ofcom has had new powers to enter providers' premises to make sure they are complying with their security duties introduced by the Telecommunications Security Act. We are required to report the number of times premises have been entered each year. In the reporting period from 1 October to 31 March we did not exercise these new powers of entry.

Getting everyone connected

We want to make sure people and businesses can access the broadband, mobile, landline and postal services they need, wherever they live and work.

What we did – in brief

- We oversaw the progress of mobile operators in building a Shared Rural Network to improve reception in hard-to-reach areas. And we travelled 42,000 miles to test coverage and ensure operators are providing accurate data.
- We set out a new framework of postal regulation for the next five years. Our decisions aimed to support the universal postal service, promote competition in the market and improve services for postal users – including greater protections for parcel customers.
- We examined whether elements of the telecoms universal service obligation (USO) and telecoms infrastructure meet people’s needs. This helped us make decisions on services like fax machines and phone boxes.
- We monitored how technological developments in telecoms services – such as the switch-off of 2G and 3G mobile services and the PSTN telephone network – might affect phone users, and worked with providers to make sure safeguards are in place.

“The four mobile networks now provide good, indoor 4G reception to 92–95% of UK premises.”

Why this matters

- Getting a good mobile signal is essential for people to keep in touch and work on the move. The four mobile networks now provide good, indoor 4G reception to 92–95% of UK premises. But some areas are harder to reach, so we reported on operators’ progress in meeting commitments to improve rural reception.
- Our new postal regulations will allow letter and parcel firms to invest, innovate and compete on a level playing field. People sending and receiving parcels should be treated more fairly by delivery firms, under new protections we introduced in July.
- Telecoms services should meet customers’ needs both currently and as future developments are rolled out. This is especially true for people who are vulnerable or who can’t access all types of communication services.



Supporting the postal service

We know how important a reliable postal service is to people who send and receive letters and parcels. When we reviewed the market this year, we maintained rules that are designed to support the Universal Postal Service, as well as important price protections. For example, the prices of Second Class standard letters were only allowed to rise in line with CPI between 2021/22 and 2022/23.

Under the Universal Postal Service, Royal Mail must deliver letters six days a week – and parcels five days a week – to every address in the UK, at a uniform price. Ofcom’s job is to secure that service, which means balancing the needs of postal users with the freedom required by Royal Mail to compete effectively in the market.

In November, our annual report on the market found that Royal Mail is facing a range of challenges. These include ongoing falls in the volume of letters being sent, accelerated by the Covid-19 pandemic; employee disputes leading to industrial action; problems reducing its costs; and wider economic uncertainty. The company expects to continue making losses until 2024-25, and has asked the Government to reduce its letters delivery requirement from six to five days a

week. This would require legislation to amend Royal Mail’s obligation to provide the Universal Postal Service.

To support the service in the face of these risks, Ofcom took several steps this year. First, we have strengthened our monitoring of Royal Mail. In February, we set new rules requiring the company to provide us with five-year financial forecasts, and to report to us each year on how it is seeking to become more efficient. Royal Mail must modernise to sustain the universal service, and the new rules will heighten our ability to identify risks to it.

In July, we concluded a wide-ranging review of the postal market and put in place rules that will apply for the next five years, until March 2027. We are continuing to give Royal Mail the flexibility it needs to set prices and innovate. But to keep prices affordable, we maintained existing price caps on Second Class letters and lighter parcels.

Our decisions also reflected the huge importance of parcels. More than 10 million are delivered, on average, every day in the UK. But we found around two-thirds of customers were experiencing problems with delivery. We introduced new guidance requiring all parcel firms to tighten up their complaints handling. We also required parcel firms to set clear, effective policies for treating disabled customers fairly.

Also this year, we concluded an investigation into Royal Mail’s failure during 2021-22 to meet some of the targets we set for how quickly it delivers mail. We decided not to take enforcement action against the company on this occasion, recognising the effect of the Covid-19 pandemic.

And as people struggle generally with household costs, we began work to assess the affordability of postal services, and to review the pricing rules we currently set for the market. We expect to conclude our review in the next financial year.

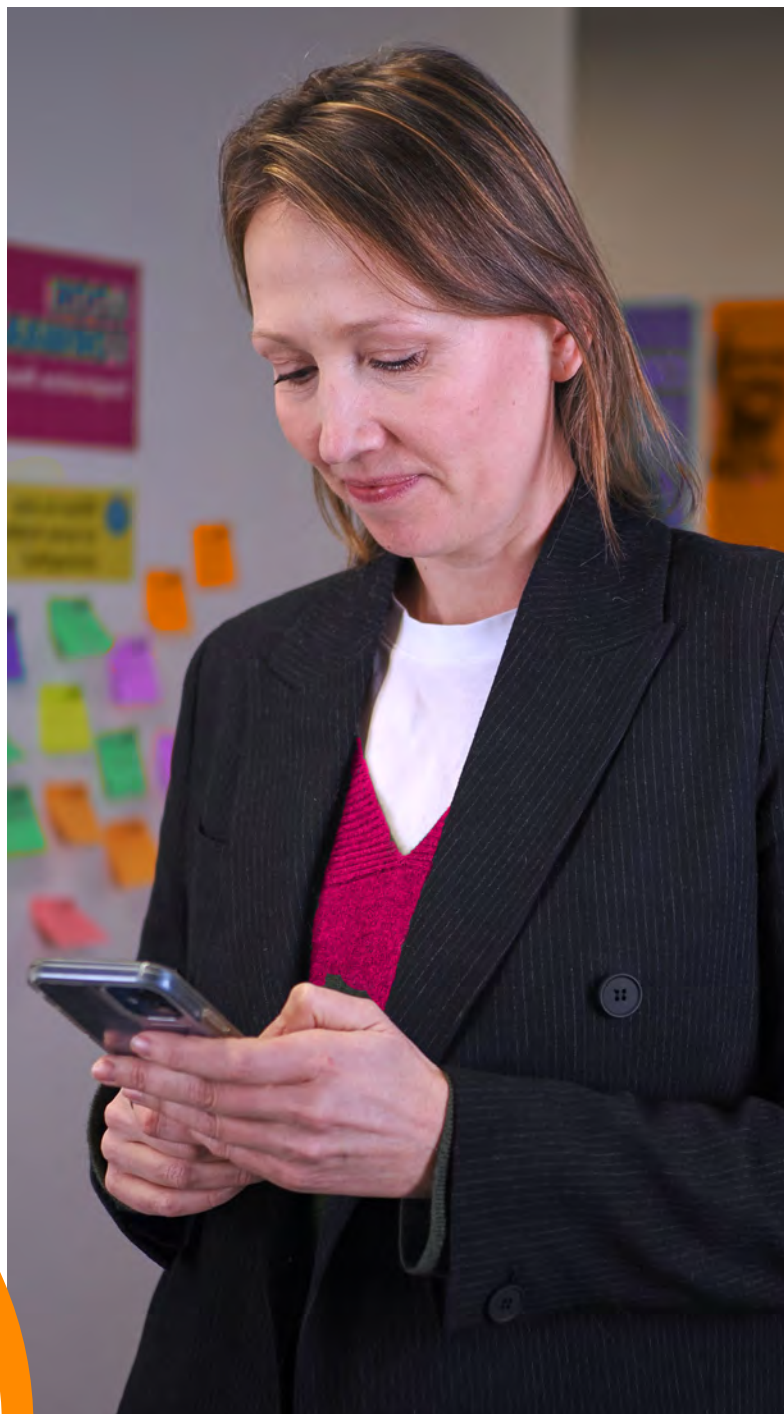


Improving mobile coverage

This year we reported on mobile networks' progress in meeting their commitments under the Shared Rural Network (SRN) agreement. EE, O2, Three and Vodafone are committed to improving reception, particularly in rural areas. It will take 4G coverage by at least one operator to 95% of the UK's geographic area by 2025, up from 92% mobile coverage (by at least one operator) today. Our Connected Nations 2022 report found they had built 150 new mobile sites, to meet the SRN coverage commitments. We will assess whether they meet that in summer 2024.

To check mobile coverage more widely, we continued to carry out 'drive testing'. We took 2 billion measurements of signal strength, travelling over 42,000 miles, to ensure that operators are providing accurate data. And to help others develop tools and insights, we released these measurements as open data. This year we also used real world, crowd-sourced data to start improving how we report on the quality of 4G and 5G reception across the UK.

Many phones and devices, including some in the home, increasingly use the fifth-generation mobile network – 5G – which offers very fast, responsive communication. People can now check 5G reception using [our online coverage checker](#), which we updated to include this data in May. We also agreed new standards with operators for how they must show coverage on their own maps, so that consumers are getting reliable information.





435k

Overall, the number of properties unable to get decent, fixed-line broadband – with a download speed of 10Mbit/s – has fallen to around 435,000, from 527,000 in September 2022.

When factoring in fixed wireless broadband, USO-eligible properties fell to 80,000 (down from 123,000 last year).

This is mainly thanks to the commercial rollout of full-fibre services, as well as a number of publicly-funded initiatives.



Switching off 2G and 3G

The managed transition away from legacy 2G/3G mobile services is a key component in the business case for new network investment by helping lower costs through efficiencies coming from operating fewer network technologies in parallel.

Ofcom has been looking ahead at how switching off 2G and 3G mobile services could affect the people and organisations who use them. We are working with mobile network operators to support the switch-off process, and to help reduce the disruption that customers might face.

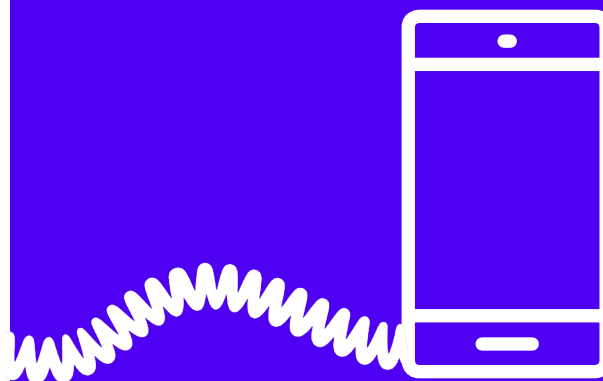
This year we worked with mobile operators to get updates and gather data on their switch-off plans and progress. We also set expectations for how companies should approach switch-off. We are helping to ensure customers are treated fairly, and that there will be minimal disruption for all users of 2G and 3G services. We will continue to monitor the switch-off process after it begins, maintaining quarterly meetings with mobile operators. Until switch-off is completed by 2033, we will publish measures of progress and the number of customers still using 2G and 3G devices.

Monitoring the universal broadband service

Every home and business in the UK can request a decent, affordable broadband connection, under a universal service obligation (USO) applying to BT (and to KCOM in the Hull area). This year we continued to monitor how well these companies implemented the requirement.

We met regularly with BT and reviewed data from both operators. This has allowed us to track the remaining number of properties who are eligible, and how take-up is progressing. As of April 2023, BT had built USO connections to over 7,000 premises with a further 800 builds in progress (with none for KCOM to date).

Overall, the number of properties unable to get decent, fixed-line broadband – with a download speed of 10Mbit/s – has fallen to around 435,000, from 527,000 in September 2022. When factoring in fixed wireless broadband, USO-eligible properties fell to 68,000 (down from 80,000 last year). Of these 68,000 premises 14,000 lack a decent broadband connection but are due to be covered by a publicly funded rollout scheme within 12 months. The decrease in USO eligible premises is mainly thanks to the commercial rollout of full-fibre services, as well as a number of publicly-funded initiatives.



The changing face of phone lines

This year we made major decisions about two significant pieces of historic telecoms equipment, reflecting changes in the communications landscape.

We confirmed updated rules on **public call boxes**, protecting those that are still needed most – for example, where there might not be full mobile coverage. We also permitted the removal of phone boxes that are no longer needed. Our rules also allow these famous features of the UK's streetscape to be kept on for important services such as free calls, wifi and charging points for devices.

Separately, we finalised rule changes meaning that BT and (and KCOM in Hull) will no longer be required to provide services to users of **fax machines**. This part of the universal telephone service was set out in 2003, when fax machines were still prevalent. Today, alternatives to facsimile such as email and messaging apps are commonplace. And as landline networks move to digital calls, fax machines can no longer be guaranteed to work in the same way.

Moving to digital phone calls

Landline phone calls have traditionally been delivered over the ‘public switched telephone network’ (PSTN), ageing infrastructure which is becoming harder and more expensive to maintain. Every landline customer is having their service moved over to ‘voice over IP’ (VoIP) technology, which uses a modern broadband connection to connect calls with better quality. The PSTN is a privately-owned telecoms network and the decision to close it has been taken by the telecoms industry.

This must be handled carefully, so we are monitoring the process. We are working with Openreach and landline providers to make sure they are planning effectively and prioritising customers’ needs – particularly those who might be vulnerable or who don’t have access to a good mobile signal. This year we researched customers’ experience of the migration process, based on trials in Salisbury and Mildenhall, and published our expectations for companies to minimise disruption.

We are also examining how landline firms are meeting the requirement to provide uninterrupted access to emergency services in a power outage. Providers are required to ensure that consumers have at least one method to contact the emergency services during a power cut. Our monitoring will continue until migration is complete. BT has said it will close its PSTN network by December 2025, and other providers will follow a broadly similar timescale.



“This year we researched customers’ experience of the migration process, based on trials in Salisbury and Mildenhall, and published our expectations for companies to minimise disruption.”



Fairness for customers

All UK communications customers should be protected from harm, treated fairly and able to access the best deal for their needs.

What we did – in brief

- As living costs continued to rise, we pushed more providers to offer social tariffs, and urged those who do so to promote them more effectively. Take-up of these discounted deals has increased significantly, but millions more eligible people could still benefit.
- Our focus on consumer protection means customers should get the right information, at the right time, about their contracts – helping them make better choices, and often saving money as a result.
- We strengthened our rules so providers must do more to prevent telephone numbers from being misused by scammers. We are also raising awareness of nuisance calls through social media and other channels.



Why this matters

- Ensuring people can access affordable broadband and mobile services remains a priority for Ofcom. Our work on affordability this year came at a time when many households faced growing financial pressures. Our research in this area led to us working with industry to ensure most major providers now offer social tariffs to eligible customers.
- Our long-standing Fairness for Customers programme is about ensuring providers treat people properly and make this central to the culture of their business. Customers should have access to clear information at the right time to help them make well-informed decisions before, during, and at the end of their telecoms or pay TV contract.
- People should also feel empowered to switch easily between providers, allowing them to access deals which could be cheaper, better suited to their needs, or both.
- The use of scam calls and texts is widespread, with our research finding they affect the vast majority of people in the UK. Scams can cause significant financial and emotional harm to victims, and also impose costs on the wider economy. We are working to disrupt scams, help consumers avoid them, and share information with others to help tackle the problem.

“Ensuring people can access affordable broadband and mobile services remains a priority for Ofcom”



8.1m

We have been closely monitoring affordability in our sector, reporting that as of January 8.1 million households were having problems affording communications services – almost twice as many as in April 2021. Telecoms firms must do more to support their customers.



Our work this year

Affordability of communications services

The rising cost of living has affected millions of households this year, and Ofcom has been focused on the affordability of the services we regulate.

Communications bills might account for a relatively small proportion of a typical home's overall budget; but for many customers, every penny counts. And while the UK still has some of the lowest broadband and mobile prices among similar countries, high inflation has driven some bills up by over 10%, and in some cases as much as 17%, this year, adding to the pressures facing customers from higher prices in areas such as food, energy and debt interest.

We have been closely monitoring affordability in our sector, reporting that as of January 8.1 million households were having problems affording communications services – almost twice as many as in April 2021. Telecoms firms must do more to support their customers.

Our research found that millions of low-income households were missing out on broadband 'social tariffs' – special discounted superfast connections for homes in receipt of certain benefits. These deals are available for as little as £12 a month, offering typical savings of around £200 per year. Crucially, the price does not rise mid-contract, meaning the cost is effectively frozen. But some providers have not done enough to advertise this support or have refused to offer it at all.

Since we highlighted this issue in 2020, the number of broadband providers offering social tariffs has increased from two to more than 20, and three mobile providers also now offer a social tariff. We have been calling on the remaining companies who don't offer a social tariff – including TalkTalk (broadband) and O2 (mobile) – to do so. Take-up of broadband social tariffs has quadrupled since January 2022, from 55,000 to 220,000 in February. But that still represents only 5% of eligible households which have signed up. That leaves 95% missing out on average annual savings of around £200 per year.

Awareness of these deals remains low, with more than half of eligible households (53%) unaware of their existence during the cost-of-living crisis.

We are maintaining pressure on all firms to promote social tariffs more widely and make them easier to find on their websites, including asking them to review the information to ensure it is accurate, clear and understandable for consumers.

Ofcom will also continue to report regularly on affordability more widely. In December, our latest Pricing Trends report – covering broadband, landline, mobile and pay TV – found that there are still good value deals available for people who shop around. We also found that those nearing the end of their contract, or already out of one, could save money by negotiating a new deal with their existing provider, or moving to a new one.

Clear contract terms

Companies must be clear about price rises. Under our rules, any planned rises in a contract must be set out prominently and transparently when the customer signs up. To make sure companies are sticking to this, we launched in December an industry-wide enforcement programme on compliance with our rules on pricing transparency.

Since June, we have also required phone and broadband firms to give customers additional information and a short summary of their main contract terms before signing up. This must include information about the price, length of the contract and what happens if a customer decides to end it early. In October we opened an investigation into whether BT, and its subsidiaries EE and Plusnet, had breached these new rules.

Our research this year found that one in three mobile and broadband customers do not know whether their provider is allowed to increase their price. Among those who know they can, around half are unsure how it is calculated. We also announced a review to examine whether inflation-linked, mid-contract price rises give phone and broadband customers enough certainty and clarity about what they can expect to pay. We expect to publish our initial findings later in 2023.



Ofcom will also continue to report regularly on affordability more widely.

In December, our latest Pricing Trends report – covering broadband, landline, mobile and pay TV – found that there are still good value deals available for people who shop around. We also found that those nearing the end of their contract, or already out of one, could save money by negotiating a new deal with their existing provider, or moving to a new one.

Simpler switching

We know from our research that around two in five customers can be put off switching provider if the process involves too much time or hassle. Our new 'one touch' switching process will mean customers need only contact their new landline or broadband provider to make it happen.

This process was due to launch on 3 April 2023, but has been delayed due to companies not being ready. In response to this we have launched an industry-wide enforcement programme and will continue to work with industry to make sure the new switching process is delivered as soon as possible. Once this is completed, we will monitor the impact on customers' willingness to switch.

Tackling nuisance calls and scams

Scams are a scourge on society, causing financial and emotional harm to millions of people, especially the most vulnerable. In recent years, cheap technology has enabled a significant and growing volume of scams to be attempted over phone calls and text messages.

This is a priority area of work for Ofcom. We have strengthened our rules on preventing the misuse of communications services and have pushed telecoms companies to develop technical solutions to tackle the problem. The use of fake telephone numbers, or spoofing, is a significant problem. Under new rules, providers must now validate the telephone numbers of calls that enter their networks, and block at source any calls coming from spoofed numbers.

Phone numbers are allocated by Ofcom to telecoms companies, who can then transfer them to other businesses or individuals. We place responsibilities on providers who use and transfer numbers. After we identified inconsistencies and gaps in the compliance with these rules, we updated the steps we expect firms to take to help prevent valid numbers being misused.

As a result of this work, people should benefit from receiving fewer calls with illegitimately spoofed numbers. This in turn should improve trust in the telephone system. We recognise that scammers are likely to explore more complex and sophisticated techniques, so we will continue to monitor the impact on customers and develop further approaches to tackle the problem.

To help people avoid falling victim to scams, we continue to provide information and advice on our website and social media channels, including signposting to other relevant bodies and agencies.



Making sure our work is effective

In the past few years, Ofcom has put in place a wide range of measures to protect customers and ensure companies treat them fairly. Our focus has now shifted to monitoring and understanding the impact of these interventions, to ensure they are having the right effect.

- Vulnerable customers:** As a priority, we want to make sure vulnerable people get the help, support and services they need. Under our rules, all communications providers must have clear, effective policies and procedures for identifying customers in vulnerable circumstances. On the whole, we have found that providers are treating these customers fairly. And since June, telephone and broadband firms must offer a free Emergency Video Relay service for deaf British Sign Language users to make it easier for them to get help in emergencies.
- Fairness commitments:** We are working with providers to ensure they treat their customers fairly and meet the [Fairness for Customers Commitments](#) to which most signed up in 2019. To assist this, we are making greater use of consumer insights data. This includes research and intelligence from our consumer contact team, as well as information from ombudsman bodies and consumer groups.
- Contract notifications:** New Ofcom rules came into force in February 2020 requiring phone, broadband and pay-TV providers to warn customers when their contract is ending, and to explain what they could save through a new deal. Our research this year found that more broadband and mobile customers are taking advantage of this. As a result of receiving a prompt, millions of customers took action to lower the amount they pay.
- Comparing service quality:** Through the year we publish data on complaints about telecoms and pay-TV providers, and on their comparative level of customer service. This helps people to compare the levels of service they can expect from individual companies, before they sign up.



As a result of receiving a prompt, millions of customers took action to lower the amount they pay.

Enabling wireless services in the broader economy

We manage the UK's radio spectrum for the benefit of the whole UK. Our job is to ensure this valuable, finite national resource is used efficiently, which includes supporting investment and innovation in wireless services.

What we did – in brief

- We identified airwaves – or 'radio spectrum' – that can support growing and innovative services using mobile devices, drones and satellites. Our technical specialists explored how spectrum could be freed up and released to organisations who want to offer these services.
- We continued to highlight how radio spectrum can support new applications across a range of sectors and helped industry to collaborate on better methods of using and sharing spectrum.
- We worked with international counterparts and bodies to share knowledge and make sure the UK's interests are reflected in global spectrum decisions and debates.
- We reviewed spectrum licences and how they are priced and managed, helping to make the process easier for licensees.

Why this matters

- Radio spectrum is the wireless infrastructure that supports modern lives, businesses and the digital economy. It is a finite national resource, used for everything from TV and radio to air traffic control, emergency services, healthcare, logistics and dozens of wireless devices in the typical home.
- Ofcom manages these airwaves so they are used efficiently and without causing interference. We help to ensure the many different users of spectrum can continue to do so safely, and to the greatest benefit of people across the UK.
- Technology is moving fast. We can support new and innovative services by managing spectrum in the right way.
- Simpler and more efficient licensing processes can benefit not just the licensee, but also the customers who use their products and services.



Our work this year

Working with industry on wireless spectrum

Demand for airwaves continues to grow, which makes spectrum sharing an important approach. By allowing different users to offer wireless applications using the same frequencies, these can be used more efficiently. We are progressing work to automate the faster allocation of shared access spectrum licences. We have also worked with counterparts in Europe to harmonise spectrum for industrial networks, helping to improve economies of scale for manufacturers of network equipment and devices.

This year we have continued to highlight the role of wireless spectrum in delivering digital transformation across different sectors of the economy. We attended and presented at conferences to promote the availability of spectrum and understand how it is evolving. We also started to work with industry on spectrum ‘sandboxes’ – collaborative test beds that will help to develop more flexible and efficient wireless networks. The lessons we learn from this will inform a review of the technical conditions for shared access spectrum licences, which are used by industry for private wireless networks.

Commonwealth Games: Birmingham 2022

This year we supported the Government and the Commonwealth Games Organising Committee in delivering a successful Games in Birmingham.

Major sporting and cultural events like this are attended by staff and broadcasters from around the world, who use a range of wireless equipment such as microphones, cameras, in-ear monitors and walkie-talkies.

Each piece of kit uses its own frequency on the radio spectrum, and these need to be managed carefully to make sure they don't interfere with each other. Our programme-making and special events assurance teams work before and during events to make sure equipment works properly and safely.

Having developed an applications process and portal, we issued priority spectrum licences for the Games in March 2022. We carried out radio frequency surveys in critical areas, making sure the airwaves worked correctly and clearing any unlicensed use.

We finalised a joint operational plan in May, setting out how we would test and tag wireless equipment and resolve live interference issues and unlicensed use throughout the event.

This unseen work ensured that viewers and listeners in the UK and overseas could enjoy uninterrupted coverage of the largest Commonwealth Games ever held.

Electromagnetic fields (EMF) and health

All applications of radio spectrum generate electromagnetic fields (EMF). There are internationally recognised guidelines for services to operate in a way that will not adversely affect people's health.

We continued to ensure spectrum users comply with EMF limits that we incorporated into licences in 2021, taking account of guidelines from the UK Health Security Agency. This included a programme of measurements close to mobile phone base stations, with 68 surveys carried out between April and January. We also provided a revised version of our EMF calculator to help licensees demonstrate compliance in frequencies below 10 MHz.

Millimetre wave

In May we proposed to make millimetre wave (mmWave) spectrum available for new purposes. We published a statement and further consultation in March, confirming plans to make mmWave spectrum available across the 26 GHz and 40 GHz bands for new mobile technology, including 5G services.

As well as providing better services in busy areas like airports, mmWave spectrum can support fixed wireless broadband services with gigabit speeds, including in hard-to-reach areas. The spectrum can be used to deliver private networks across a wide range of sectors, enabling things like factory automation in manufacturing, smart farming in agriculture, and secure campus-style networks on business premises.



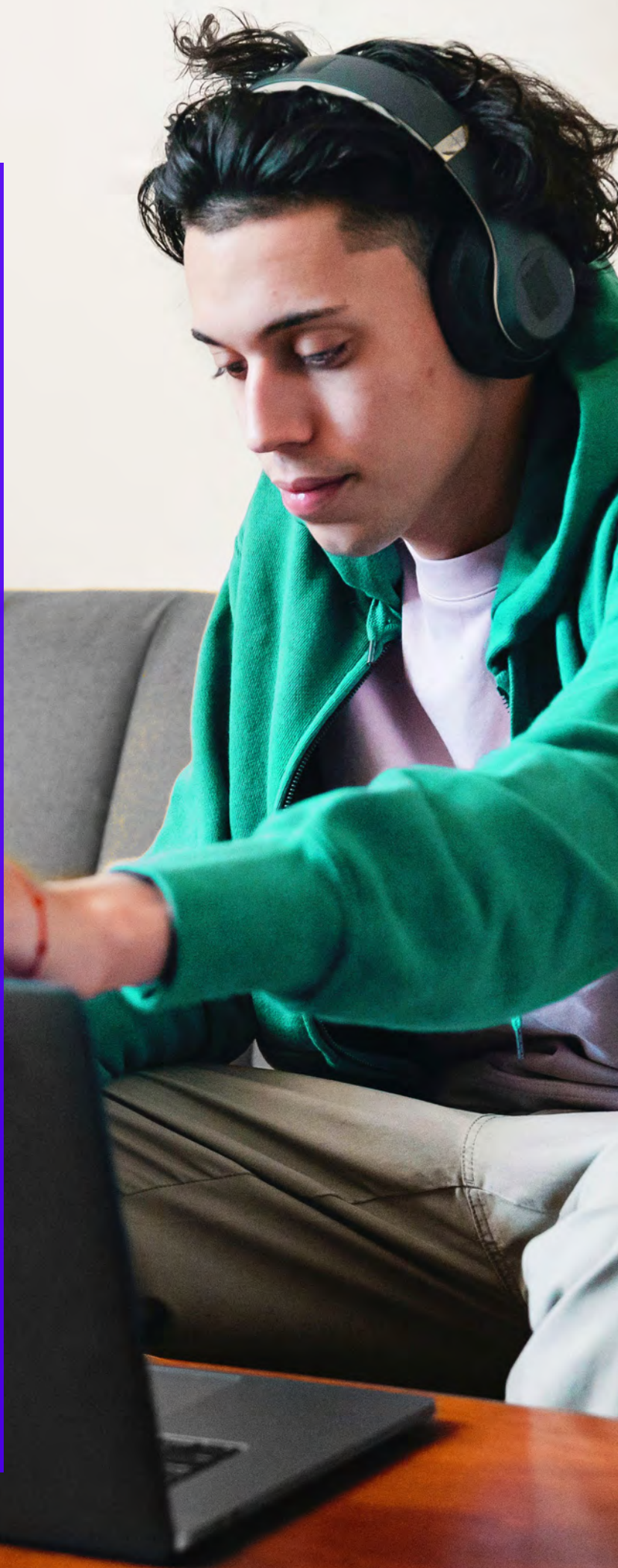
Space spectrum strategy

People living in rural areas and passengers on planes and ships stand to receive better broadband, after we announced more airwaves for satellite services within our space strategy.

The space sector is expanding rapidly, with the number of launches increasing by almost 60% between 2017 and 2021. Companies such as OneWeb and SpaceX are deploying large numbers of new satellites – known as non-geostationary orbit (NGSO) satellite systems. Meanwhile, universities and start-ups are using smaller satellites to test and trial a range of exciting new projects.

Ofcom's space spectrum strategy in November explained how we will support the sector. It included more airwaves for NGSO operators to provide a wider range of broadband services – such as helping to connect homes and businesses in hard-to-reach rural areas, as well as on trains, in the air and at sea.

We are extending satellite spectrum access to include the 14.25-14.5 GHz band, doubling capacity available for transmitting data to satellites. Our strategy included protections for earth observation satellites, which are collecting vital data on weather and climate change. We are also supporting companies launching satellites from the UK and planning for future missions to the moon and Mars.



Meeting growing demand for drones

New and innovative commercial services delivered by drones were able to take to the skies from January. Working with the Civil Aviation Authority, UK Government and industry, we finalised the first regime for authorising a range of drone equipment, introducing a new Unmanned Aircraft Systems (UAS) Operator Radio licence. This means companies can use mobile and satellite networks to offer more services from their drone fleets, over longer distances.

Our new regime followed a range of real-world trials. Royal Mail explored 'postal drone routes' to remote communities in rural Scotland. Other trials included a transport link between hospitals in Southampton and the Isle of Wight for delivering urgent medical supplies during the coronavirus pandemic.

International work and mobile spectrum

We have continued to work with organisations and counterparts across Europe and globally to make sure the UK's interests are appropriately reflected in international spectrum decisions and debates. In June we invited views and set out our initial thinking on UK positions for the next World Radio Conference (WRC-23) in late 2023.

Among these considerations is intense, competing interest in using the upper 6GHz frequency band for higher-power mobile services, and for lower-power wifi. This band is currently used in the UK for services such as fixed links, short-range devices, earth exploration satellites and radio astronomy. We published a detailed position on the future of the band ahead of WRC-23, where it will be considered for mobile use.

Alongside our mobile strategy in December, we published our future approach to UK mobile markets and spectrum more widely. We explained how we will consider the need for additional mobile spectrum in the period up to 2035, taking account of competing demands.

Other work this year

- Charging for spectrum creates long-term incentives for companies to use it efficiently. We proposed revised annual licence fees for blocks of spectrum in three bands (10 GHz, 28 GHz and 32 GHz). These were awarded via auction in 2008 and will attract charges from 2023. The fees are based on an estimated 'opportunity cost' - the value that licences could have in the hands of the highest-value alternative user. We aim to finalise the fees in 2023.
- In May we set out proposals to update spectrum licences to make it easier for newer technologies like 5G to be deployed and to help deliver the next generation of connectivity and services. Then in September we published our decision to update specific licences to make similar changes available to all UK mobile network operators in the relevant spectrum bands. These changes will support 5G and other technologies that provide faster, more reliable connections.
- We worked with the electricity industry, the Department for Business, Energy and Industrial Strategy and Ofgem to understand the future communication requirements of the electricity sector, as well as identifying potential spectrum options that could support them.



Supporting and developing UK media

As the media regulator, we support the UK's vibrant broadcasting sector – including public service media – helping it evolve and meet the changing needs of viewers and listeners.

What we did – in brief

- We completed a comprehensive review of how we regulate the BBC, and how the BBC itself engages with audiences, competitors and complainants. We explained how we have carried out our duties and assessed the BBC's compliance with the specified requirements in its Operating Framework and Operating Licence. Following our review of and Statement on Modernising the BBC's Operating Licence, we are developing new metrics for assessing the BBC's performance on its online services and will monitor how the BBC responds to the new reporting requirements.
- We set out areas where the BBC needs to improve, such as explaining planned changes to its services to audiences and broadcasters. And we announced a review of how the BBC serves lower socio-economic groups, who are less likely to use BBC services and are less satisfied with them.
- We worked with the Government ahead of planned legislation to reform broadcasting regulation and provided reports on the sustainability of Channels 3 and 5, as part of the licence renewal process.
- In a pioneering study of choice in UK news, we identified concerns around the impact of online 'gatekeepers' – such as Facebook, Apple News and Google News.
- We introduced a new framework for collecting data on the diversity of broadcasters' workforces, helping us to promote equality of opportunity, diversity and inclusion throughout the TV and radio industry.

Why this matters

- The UK benefits from a unique broadcasting and media landscape – a powerful mix of public and commercial firms, large and small, and a vibrant independent production sector. Together with our national and regional media, this industry is central to the country's culture, creative economy and global voice.
- We want audiences to benefit from a choice of high-quality TV, radio and online content – including programmes made across the UK which reflect their lives and interests.
- We are also working to improve equality of opportunity, diversity and inclusion throughout the TV and radio industry, so that its workforce and output represent the full breadth of society.

“We want audiences to benefit from a choice of high-quality TV, radio and online content”



Our work this year

Holding the BBC to account

As the national broadcaster, the BBC is the cornerstone of the UK's public service broadcasting system. Ofcom's job is to hold the corporation to account, overseeing its role in the wider broadcasting market and making sure it provides high-quality content and services for its whole audience.

This year we completed a comprehensive review of how Ofcom regulates the BBC, and how the BBC itself engages with audiences, competitors and complainants. We acknowledged that the BBC is facing a challenging market and economic climate – including intense competition from well-funded global players, pressures on licence fee-funding, and rapid changes in audience behaviour. Our most recent [Media Nations report](#) showed that the downward trend in time spent watching broadcast TV content resumed last year, and live radio's share of audio listening time has also fallen.

We were also clear with the BBC that, as it addresses these challenges by shifting focus to online services, it must continue to provide for all its audiences. We also expect the BBC to do a better job of explaining planned changes to its services to viewers, listeners and other broadcasters in a consistent and open manner.

We set out in the review that we would:

- focus on how the BBC adapts the BBC First complaints process to ensure it is transparent and works well for audiences. We have directed the BBC to improve its transparency in relation to the final decisions it makes in response to complaints about due impartiality and due accuracy and publish its final reasoning in all these cases;
- monitor the implementation of the Serota Review findings (and Impartiality and Editorial Standards Action Plan) and how the BBC is working to improve public confidence in its approach to due impartiality;
- continue to review the impact of the BBC's public service and commercial activities on the market, to ensure it does not have an undue impact on competition.

Following our review we published a new Operating Licence for the BBC, which sets our expectations of the corporation's performance. The new Licence, which came into effect on 1 April 2023, will benefit audiences by safeguarding important content, while enabling the BBC to adapt and innovate in how it delivers content to viewers and listeners.

For the first time, the licence also sets broad requirements on the BBC's online services – BBC iPlayer, BBC Sounds and the BBC website – and requires the BBC to comprehensively report on its plans and performance, including the distinctiveness of its services. Our review and broader evidence will feed into the Government's Mid-Term review of the BBC's governance and regulation, due to be completed by the end of 2024.

In November we published our [Annual Report on the BBC](#). We found that the BBC continues to deliver its remit overall and has made progress against its strategy and plans. But we identified that audiences from lower socio-economic groups are less likely to use BBC services and are persistently less satisfied with the BBC as a whole. We have launched a review to examine the needs and habits of audiences from lower socio-economic groups, and how the BBC is delivering for them. Our findings will inform our next annual assessment of the BBC's performance.

Reviewing changes to BBC services

This year we examined and consulted on several sets of changes proposed by the BBC to its services. For example, we reviewed plans to increase its catalogue of older content on iPlayer – such as past series of returning titles. We concluded that these changes, promising greater choice and better value for licence fee payers, were not material and that the BBC could proceed.

In July, the BBC set out plans to modernise its news offering, including bringing the BBC News and BBC World News channels together, and focusing more on multi-platform news and current affairs content. As the BBC seeks to make these changes, it must continue to provide a breadth of news and information for all UK audiences, however they want to access this content. We have retained a requirement for BBC News to provide high-quality local, regional, national, UK and international news and we will closely monitor the new service as it is implemented. We reviewed the BBC's assessment of the potential impact of its plans on online local news providers, and concluded that while the change was not 'material' we would monitor progress and report on this in our next BBC Annual Report.

In October, the BBC set out plans to transform its local services in England, including its local radio stations. We have scrutinised the BBC's proposals for local radio in detail and wrote to the BBC setting out the commitments it has made and how we intend to hold it to account. We will be monitoring the BBC's performance in this area closely. We also plan to commission new research to better understand what audiences need and value from local services.

Media regulation and legislation

Following our Small Screen: Big Debate report in 2021, we continued to work with the UK Government and industry on new rules to make sure regulation keeps pace with changing audience habits and a highly dynamic market.

The Government set out its intention to legislate in several areas affecting our work in a [White Paper](#) in April, and published a draft Media Bill in March this year. We will continue to work closely with Government to help make sure the new regulatory system is proportionate, effective and works in the interests of all audiences. We have already expanded our work examining the impacts of new and emerging technologies.

Promoting diversity and inclusion

Ofcom is expanding the breadth of data we collect annually from TV and radio broadcasters' workforces to help us promote equity, diversity and inclusion across the broadcasting industry. This follows a five-year review of progress in 2021, where we identified further improvements that the sector could make to reflect its diverse audience.

In November we published a new [framework and guidance](#) for how we collect and use diversity data from broadcasters. Our new toolkit will inform work over the coming year, helping us to collect and report on the industry's progress in our annual Equity, Diversity and Inclusion in Broadcasting report.

Channels 3, 4 and 5

In June we [reported to the Secretary of State](#) on the sustainability for Channels 3 and 5 for the next ten-year licence period. These public service broadcasting (PSB) licences are held by subsidiaries of ITV plc, STV Group Ltd and Paramount Global (the owner of Channel 5). We found that the current obligations could be commercially sustainable, such that the licensees could continue to deliver them over the next licence period.

The existing Channel 3 and Channel 5 licence holders have recently applied for renewal, and we expect to finalise new licences by the end of 2023/24. The current Channel 4 licence will also expire at the end of 2024. Following the Government's recent announcement on continuing public ownership and [reforms to Channel 4](#), we have begun the licence renewal process during 2023/24.

In July we gave our [annual response](#) to Channel 4's Statement of Media Content Policy, with our position on how well the broadcaster is delivering its media content duties. We found that its services performed well with audiences over the last year. We noted Channel 4's planned online content strand for teenagers, and asked for a clear strategy on investing in a high-quality offer for children and teenagers.

Safeguarding choice in news

Overseas tech firms increasingly shape the news stories that people in the UK see and read, leading to risks around transparency and choice in news. That was the finding of our November report on choice in news, or 'media plurality'.

We identified concerns around the impact of online news 'gatekeepers' – particularly social media, such as Facebook, but also search engines and news apps such as Apple News and Google News. Our study highlighted how far these companies – which are used by two in three online adults for news – determine not only how much of the online news people see, but also how they respond to it.

Our analysis suggested that new regulations may be required to understand and address the impact of online gatekeepers on media plurality. This might include new tools to require tech firms to be more transparent over the choices they make in determining the news we see online, as well as giving users themselves more choice and control. We will be working with industry and interested parties in the coming months, and we then intend to develop formal recommendations for consideration by the UK Government.

Serving and protecting audiences

We set and enforce standards on TV, radio and some on-demand services. By protecting audiences from harmful content and upholding due impartiality, we maintain trust in our broadcast media and ensure high standards for viewers and listeners.

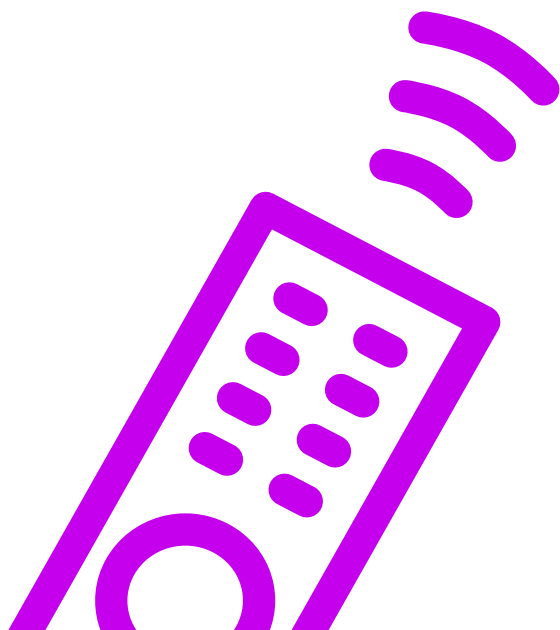
What we did – in brief

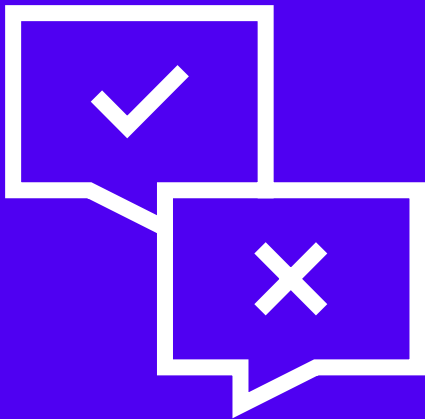
- We continued to uphold standards for programmes broadcast on TV, radio and on demand services. This year we assessed 36,908 complaints (8,725 cases), completed 78 investigations and found 70 cases in breach of our broadcasting rules .
- We carried out in-depth research to ensure our rules reflect the changing needs, views and behaviours of TV and radio audiences.
- We are enforcing rules and reviewing guidance that make subtitles, signing and audio description available to people with sight and/or hearing loss. This year we also reported on serious incidents that caused a subtitle outage on Channel 4, and a general broadcast TV and radio outage in north-east England.
- We developed an innovative new method for identifying small gaps in radio spectrum that can be used for special radio services – from hospital radio to drive-in cinemas and religious observances.

Why this matters

- Audiences should be protected from harmful content on TV and radio. They should be able to trust what they see and hear, and feel able to complain to us about something on TV or radio which concerns them. We assess every single complaint we receive.
- Broadcasters have a right to transmit information, opinions and ideas; while viewers and listeners have a right to receive them without unnecessary interference. In all our standards work, Ofcom fully takes into account the importance of freedom of expression.
- TV and on-demand services should be accessible to everyone, including those with disabilities or sensory impairments. They should also be reliable, with broadcasters guarding against outages, so that people stay informed and entertained by the programmes they enjoy.

“We carried out in-depth research to ensure our rules reflect the changing needs, views and behaviours of TV and radio audiences”





This year we assessed
36,908
complaints



Completed
investigations



Found 70 cases
in breach of our
broadcasting rules



Our work this year

Upholding content standards

We have continued to set and enforce content standards to protect audiences from potentially harmful and offensive content, while upholding broadcasters' and audiences' rights to freedom of expression. Our rules for TV and radio programmes are set out in the Broadcasting Code, and we are also the content regulator for video-on-demand services in the UK.

This year we assessed 36,908 complaints (8,725 cases), completed 78 investigations and found 70 cases in breach of our broadcasting rules.¹

Our enforcement work continued to focus on areas of serious harm. We issued a draft notice to revoke the licence of Khalsa Television (KTV) following the broadcast of material likely to encourage or incite crime or lead to disorder. Ultimately KTV surrendered its licence. We also issued a fine of £15,000 to Loveworld Limited for broadcasting potential harmful statements soliciting donations on the basis of religious faith. This included claims they would improve the donor's health, wealth and success, without providing adequate protection to viewers. We also completed 29 investigations finding the Russian international news service RT in breach of our due impartiality rules.²

Regulating TV, radio and streaming services

We continued to issue, manage and maintain licences for all national and local commercial TV, digital commercial and community radio services, as well as restricted service analogue radio services. This important work allows viewers and listeners to access a range of content across different platforms.

Ofcom's Broadcasting Code sets out the rules that must be followed by all TV and radio licensees. We also worked with the UK Government to help it develop draft statutory provisions in its draft Media Bill to introduce a new code for 'on-demand' (or streaming) services, which will work in a similar way to the Broadcasting Code, and we have continued to work closely on this with the Department for Culture, Media and Sport.

1. These figures do not include Fairness and Privacy complaints or complaints we referred to the BBC under BBC First because they had not completed the BBC's complaints process.

2. As reported last year we revoked the licences for RT to broadcast on 18 March 2022.

We also commissioned new research to help us better understand audiences' expectations of content available on streaming services.

Small-scale DAB: a radio revolution

A local radio revolution is well underway thanks to small-scale DAB – a groundbreaking technology, developed within Ofcom, that provides a low-cost way for local commercial, community and specialist stations to broadcast on terrestrial digital radio to a small area.

In total, our licensing programme has so far led to 23 new 'multiplexes' – or groups of channels – being on air in locations around the UK, carrying a total of 177 radio stations between them. Of these, 131 are new, unique services. This is a huge step forward in providing radio listeners with a wider range of local and specialist content to meet their needs.

We also continued work this year on the long-term evolution of how TV and audio content is distributed through broadcast and over the internet. This might require changes to the broadcast licensing framework, and we will continue to work with the UK Government as it progresses its approach to regulating new broadcast technology.

Making TV accessible to everyone

People who are deaf, have hearing loss, are blind or partially sighted need to be able to access and enjoy TV programmes that are available to everybody. This is why broadcast 'access services', such as subtitles, audio description and signing, are supplied by broadcasters.

We have continued to enforce minimum requirements for these essential services, and we report each year on levels of accessibility on broadcast and on-demand services. We are currently updating our best practice guidance for accessibility and will include guidance specific to on-demand services, informed by consultation and new research.

With the UK Government proposing accessibility requirements for on-demand programme services, such as Netflix and Disney+, we launched a review of our guidelines for broadcast accessibility, including specific guidance around on-demand. We will consult on changes to these guidelines in 2023.

This year, an Ofcom investigation found that Channel 4 breached the conditions of its broadcast licence following an extended outage of its subtitling, signing and audio description services in 2021. After an incident at a broadcast centre run by Red Bee Media, Freesat audiences who rely on subtitles were unable fully to access Channel 4 programmes for nearly two months. The outage meant Channel 4 fell short of a requirement to subtitle 90% of its programme hours on Freesat; and we found it breached another licence condition by failing effectively to communicate with audiences about the incident.

Our broader review of the Red Bee incident in June highlighted an urgent need for all broadcasters to improve and audit their disaster recovery plans. These must include clear communications plans in case of interruptions to services.

A separate Ofcom review this year found that organisations which deliver broadcasting services need to urgently review their contingency plans, to avoid the kind of transmission failure that occurred when Yorkshire's Bilsdale transmitter caught fire in 2021. We highlighted that their reviews should consider up-front planning for recovering services, how emergency equipment would be deployed, and greater clarity over how support and information would be provided to consumers affected by a major loss of TV or radio services. We will be monitoring the effectiveness of new initiatives put in place.

Supporting special radio services

We have developed an innovative new method of spectrum planning, which enables us to identify small gaps in spectrum that can be used for 'restricted' radio service broadcasts.

These are radio services covering small areas, typically used for finite periods or within a particular establishment or location. Examples include dedicated radio services for religious observances such as Ramadan, hospital radio services, university radio services, drive-in movie soundtracks and commentary for events such as air shows. We have simplified our licensing approach for these services, providing opportunities for more of them to be licensed.

Understanding viewers and listeners

Ofcom carries out regular, in-depth research to ensure our rules reflect the changing needs, views and behaviours of TV and radio audiences.

In December we reported on how audiences respond to commercial references in TV programmes, such as product placement and sponsorship. We will use the findings to develop new guidance in this area for broadcasters.

We have also undertaken a study of attitudes towards a range of issues relating to sexual and violent material, with a focus on protecting children and standards on offensive material. And we are carrying out research into generally accepted standards and offence across traditional TV and streaming services to continue to develop our understanding of audiences' changing expectations. Both these pieces of research will be published in 2023.



Establishing regulation of online safety

The UK is set to become among the first countries in the world to introduce new laws aimed at making online users safer. Ofcom is making final preparations to become the online safety regulator.

What we did – in brief

- We continued to work closely with Government as the Online Safety Bill passed through Parliament, offering technical advice and making further preparations to regulate this important new area.
- We set out detailed plans for online regulation, inviting evidence and working directly with industry, academia, civil society and expert groups.
- As part of our remit overseeing UK video-sharing platforms (VSPs), we used our information gathering powers to produce a groundbreaking report on what video-sharing platforms are doing to protect their users.
- We continued to invest in our own technology, data and sector knowledge, including a range of detailed research programmes to inform our thinking.
- We deepened and formed new partnerships with other digital regulators at home and abroad, allowing us jointly to tackle online safety issues through bodies such as the UK's Digital Regulation Cooperation Forum and the new Global Online Safety Regulators Network.
- We extended our media literacy programme around online safety, recruiting new advisors, commissioning local organisations and holding events across the UK to help improve people's online skills.

“Wider lessons will help shape our regulation of online safety on behalf of millions of children and adults across the UK.”

Why this matters

- When we receive our new online safety powers, Ofcom needs to be ready to start making a difference.
- Our detailed research continues to show that online safety issues affect people in all corners of society. For example, three out of five internet users experience potentially harmful behaviour or content. Two-thirds of 10-year-olds now have their own social media profile. And only three in ten parents are using widely available parental controls to help manage their children's internet access.
- Ofcom is already helping to improve people's online safety through an existing set of laws relating to UK-established video-sharing platforms. After being regulated under these rules, several services such as TikTok and Snapchat have now made positive changes to protect users from harmful content.
- Around 2,500 people from underserved communities are expected to benefit directly from our pilot media literacy programmes. Wider lessons will help shape our regulation of online safety on behalf of millions of children and adults across the UK.



Our work this year

Getting ready for online safety

The forthcoming Online Safety Bill will introduce new duties for sites and apps such as search engines, social media and messaging platforms and other services that people use to share content online. As the online safety regulator, it will be Ofcom's job to enforce compliance with these duties.

As the Online Safety Bill progressed through Parliament this year, we gave evidence to lawmakers as they considered the legislation.

In July we set out a 'roadmap to regulation' providing more information about our approach to implementation of the Bill. The roadmap also provided initial thinking for regulated platforms on what they would need to do and by when, as well as what Ofcom will do in the first 100 days after our powers are granted. We explained how we will get the 'first phase' of regulation up and running, covering illegal content such as child sexual exploitation and abuse.

Also this year, we completed an initial 'call for evidence' on illegal content, mitigations and transparency requirements ahead of our first formal consultation in this area. We sought evidence on risks to children and how they can be reduced, as we prepare to develop Codes of Practice.

Investing in technology, data and sector knowledge

Getting ready to regulate involves establishing Ofcom as a world leader in online research and expertise. This year we set up a programme of behavioural insights research, helping us to understand how the design of sites and apps can influence their users' behaviour. We began the collection of evidence to inform our codes and guidance: issuing two calls for evidence, one in July 2022 on child sexual abuse and exploitation, terrorism and other illegal harms and the second, in January 2023, on additional harms to children such as suicide and self-harm content and pornography. We released a range of detailed studies in specific areas, including a report on automated content classification systems, which use artificial intelligence to moderate content on a greater scale than could be achieved by human teams alone.

Meanwhile we have continued to grow our expertise in digital technologies, data analytics and cyber security, hiring expert minds from the likes of Meta, Amazon, academia and the policy world. We grew our data innovation unit and our technology hub in Manchester. And in November, we announced a new leader for our Online Safety Group, former Google executive Gill Whitehead.

Video-sharing platforms

Ofcom received powers in 2020 to oversee video-sharing platforms (VSPs) based in the UK. These services must now have appropriate measures in place to protect all users from illegal content and the incitement of violence or hatred; and children from harmful material that might impair their physical, mental or moral development.

We are one of the first regulators in Europe to use these powers by gathering information from the companies in scope. In October, we released our findings in a groundbreaking report, revealing exactly what video-sharing platforms are doing to protect their users.

Our study showed some progress, with services such as TikTok, Snapchat and Vimeo making changes to reduce the risk of harm. But we also found many platforms were not equipped, prepared or resourced for regulation. In setting out our strategy for the coming year, we explained how we will seek improvements from platforms that fall under our regulation.

We also found that some smaller adult video-sharing sites needed stronger age control measures to stop children accessing pornography. We notified these firms that we expect urgent action to protect children and launched a formal enforcement programme in January. Separately, we opened a formal investigation into Tapnet Ltd, which operates the UK adult site RevealMe, for failing to meet our information requests. This led us to fining Tapnet Ltd after the company did not respond to a statutory request for information.

Our regulation of VSPs is both achieving results and allowing Ofcom to build the understanding, evidence and industry engagement that will be necessary in our coming role as online safety regulator. For example, this year we conducted and commissioned wide-ranging research on how people use VSPs, from parents and carers to users of platforms that host pornographic content.

Partnerships at home and abroad

Online regulation is a global challenge and a shared goal for regulators and policymakers at home and overseas. Ofcom has been building and deepening partnerships in the UK and internationally.

We have continued to play a leading role in the Digital Regulation Cooperation Forum (DRCF), a world-leading example of collaboration between the UK's online regulators. Further details on the work of the DRCF this year are set out below.

We became a founder member this year of the Global Online Safety Regulators Network, joining forces with regulators from Australia, Fiji and the Republic of Ireland to encourage and coordinate global efforts to make the online world a safer place. We also worked with counterparts to launch an International Working Group on age assurance and verification.

Raising awareness and understanding

We already have duties to promote people's understanding of the media, which also helps to inform our policy. This year, as we prepare to regulate online safety, we continued our online media literacy programme.

We refreshed our Making Sense of Media Advisory Panel, recruiting a diverse pool of media literacy experts to be our critical friends, challenge our thinking and advise on how their own work is evolving. We commissioned local organisations across the UK to help improve online media literacy skills among groups and communities most at risk of online harm. And we held events around the country, sharing our work and listening to others.

To help inform our regulation, we continued important research in this area. For example, our annual media literacy tracker highlighted that a third of internet users are unaware of the potential for inaccurate or biased information online; and that two-thirds of 10-year-olds now have their own social media profile.

To help build wider awareness of online issues, we launched a podcast, Life Online. One episode coincided with the launch of a joint report from Ofcom and the Alan Turing Institute on abuse of football players on Twitter, and a high-profile event in Manchester involving senior figures from the game.

We have also led roundtables with industry and civil society groups to discuss online safety issues – from the Confederation of British Industry to TechUK, Carnegie and Linklaters.

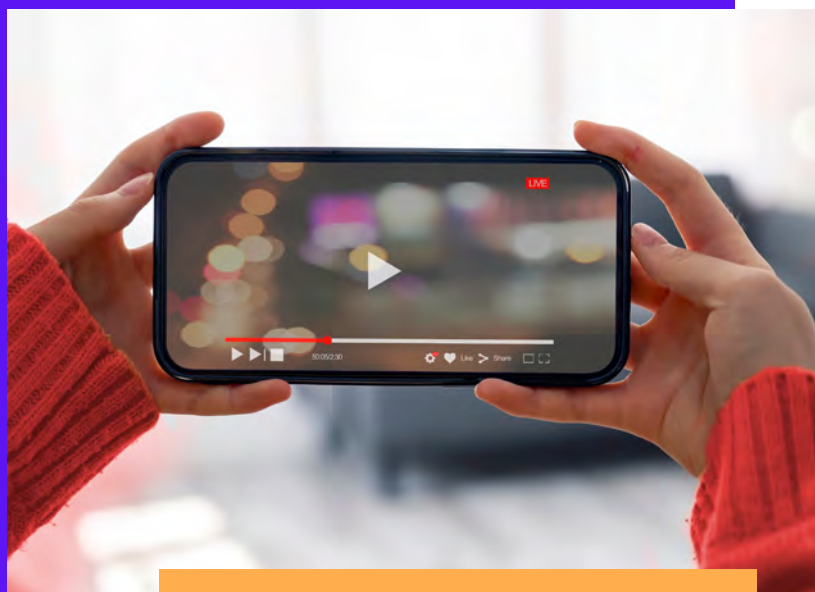


The Buffalo shooting – a case study in online harm

In May 2022, a terrorist attack was carried out in Buffalo, New York, killing ten people and injuring three others. The attack was livestreamed, and versions of the footage disseminated to millions of people on online platforms, including in the UK.

As the regulator of video-sharing platforms (VSPs), Ofcom has sought to learn from this tragic event. After we became aware that the attack was livestreamed and being disseminated on UK-based VSPs, we urgently met the companies who run these sites and apps – such as TikTok, Twitch and BitChute – to establish what happened, and how effectively they responded.

We held more than 20 meetings with expert stakeholders such as companies, researchers, governments and regulators with expertise and experience of online radicalisation and the dissemination of terrorist content. In October this year, we set out our findings.



Our report on the Buffalo incident identified that there are benefits to platforms collaborating across a range of bodies and cross-industry initiatives; there are variations in the approaches different platforms take to tackling terrorism; and there is an opportunity for platforms to reduce the risk of online terrorist content by introducing features that limit access to livestreaming in particular circumstances.

We will take these insights into account in our future online safety work, and we expect to publish further research into this area of very serious harm to online users.



Transforming Ofcom for the Future

With widespread change across our regulated sectors and an expansion of Ofcom's duties, 2022/23 was a year of significant change and investment in the organisation, to get us ready for the challenges ahead.

In 2022/23 we had three organisational priorities.

- We overhauled and streamlined our performance management system and structures, stripping away unnecessary processes to improve efficiency, and investing in training and development to ensure every colleague at Ofcom has a capable career and performance manager. We have reduced the number of line managers by 15% from 360 in March 2022 to 307 in March 2023, while growing the organisation.
- We worked with our Board to clarify Ofcom's policy and regulatory choices over the next three years, to provide a stronger framework for future business planning, prioritisation and risk management.
- We finalised our organisational preparations for our new duties as the online safety regulator, putting in place new structures and recruiting over 150 new colleagues, with a focus on technology and data skills, as well as policy, and trust and safety.

In addition, we invested in improving efficiency and driving down cost

We carried out a programme of improvements to automate repeatable activities and used technology to simplify operational processes (particularly in our spectrum and broadcast licensing teams). We also further enhanced our People and Finance system to drive greater efficiency within our HR and Finance processes.

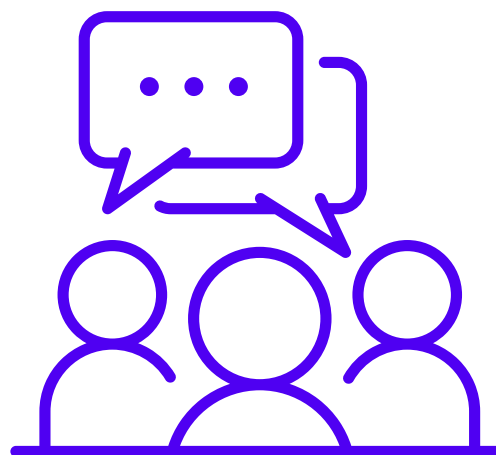
We drove more efficient use of our estate, reducing our office footprint in London, recognising the increased role of flexible working after the pandemic. We continued to drive towards our goal of 30% of colleagues employed outside London by 2026. As of March 2023, 22.5% of colleagues were based out of London, compared to 20% in March 2022. In the same period, we have also increased the number of people based in our Edinburgh office (from 51 to 68) and Manchester office (from 26 to 74).

We delivered on several core investments in our people and capability

After consultation with our staff, we implemented our new Connected Working framework to establish working practices following Covid. We set an expectation that we need to be together in the office more often than not, but have provided flexibility for managers and teams to establish the right arrangements in their area.

We delivered on the second year of our Diversity and Inclusion strategy, published in January 2021. We set a target for senior ethnic representation of 16% of colleagues at Principal level and above by 2026; this has already been exceeded, reaching 17% in March. We were proud to be recognised in the Times Top 50 employers for women in the UK for the third year running and achieved Bronze status in the Stonewall Equality Index. We continue to use our benchmarks to identify opportunities for further work to embed workplace inclusion.

We built significant new capabilities in data, technology and analytics, increasing the number of Technology, Data and Innovation Group colleagues from 33 (March 2022) to 90 (March 2023). As part of this we have expanded our Data Innovation Hub, providing greater central leadership and advice to colleagues on use of data across the organisation.



Digital Regulation Cooperation Forum (DRCF)

Established in 2020, the DRCF deepens joint working and collaboration between Ofcom, the Competition and Markets Authority (CMA), Financial Conduct Authority (FCA) and Information Commissioner's Office (ICO) on digital issues. .

We share knowledge and expertise, and work together to tackle issues that affect people and businesses online.

What we did – in brief

Last year was the second full year of operation for the DRCF, and the focus was on the DRCF's delivery, so that Parliament, industry and the public could see tangible outputs from the collaboration. Together, we set out an ambitious programme of work to tackle a wide range of complex digital issues. A report on progress against this plan was published in April 2023. Highlights included:

- work to examine the intersections between regulatory regimes: Ofcom and the CMA published a joint statement in July on how online safety interacts with market competition; and Ofcom and the ICO published a joint statement in November on how online users' safety interacts with their privacy;
- driving thinking on new regulatory issues such as algorithms: the DRCF members jointly published two discussion papers on algorithmic audit and the benefits and harms of algorithms; and
- thought leadership on the implications of emerging technologies, with blogs and insights papers published on the metaverse (May), Web3 (February) and quantum technologies (April).

Why this matters

This work has meant that each regulator has a more holistic view of the digital landscape and can be more effective in their individual responsibilities, to the benefit of people and businesses.

Our work this year

Over 2022/23, the DRCF has brought its member regulators together to tackle a series of complex digital issues, which has resulted in each regulator being able to develop a more cohesive, and informed approach to digital regulation, and to deliver positive outcomes for industry and the public.

The forum's work fostered a coherent and best practice approach; and our capability work helped join up approaches in horizon scanning, recruitment, and skills development. The DRCF engaged with consumer groups and charities to better understand how regulators could be working together to serve consumers.

Over the course of the year, the DRCF issued 10 joint publications which included statements, research and blogs, engaged with 13 international authorities and held multiple horizon scanning events that attracted a total of 450 attendants.

The DRCF published joint statements on the intersections between online safety, competition, and data protection as we seek to bring about a coherent regulatory landscape for businesses.

The forum also deepened its members' understanding of emerging technologies – such as the metaverse, Web3 and quantum technologies – through horizon scanning activities, including symposiums, insights papers and blogs. In November, the DRCF secured funding through the Government's Regulators' Pioneer Fund to research and pilot a multi-agency advice service for innovative companies.


Principal risks and uncertainties

Ofcom’s Strategic Risk Register captures risks with the potential to hinder our work and aims. During the year, the register was refreshed to incorporate our new duties and expanding remit.








Ofcom’s risk management policy seeks to:



- support the achievement of Ofcom’s policies, aims and objectives by informing decision making;
- explain the principles of risk management at Ofcom;
- safeguard the public funds and departmental assets that Ofcom is responsible for;
- promote a culture where accepting appropriate risk is encouraged; and
- embed risk management within Ofcom’s other business processes as a basis for good corporate governance.

The risk register is organised into eight principal areas.





Principal risks	Priority	Mitigating actions
<p>Ofcom’s independence as a regulator is not seen to be independent, impartial and consistent</p> <p>Risk that Ofcom’s reputation for independence and for making sound judgements that are trusted by our industries and by wider stakeholders, including Parliament and consumers, is damaged.</p>		<ul style="list-style-type: none"> ▪ We put in place effective governance and decision-making processes that give robust oversight of Ofcom’s decision making. We review these regularly throughout the year. ▪ We ensure colleagues are reminded of the importance of maintaining Ofcom’s independence in their dealings with stakeholders, Government, and Parliament. ▪ We undertake a regular stakeholder feedback exercise and each year we openly consult on our Plan of Work.



Key to priorities

 <p>Investment in strong secure networks</p>	 <p>Getting everyone connected</p>	 <p>Preparing to regulate online safety</p>	 <p>Developing new partnerships</p>
 <p>Fairness for customers</p>	 <p>Supporting and developing UK broadcasting</p>	 <p>Strengthening Ofcom for the future</p>	

Principal risks	Priority	Mitigating actions
<p>Leading Thinking</p> <p>Risk that Ofcom is not seen as a trusted and respected thought leader and market shaper of the communications sector.</p>		<ul style="list-style-type: none"> Ofcom’s internal Research Committee continues to oversee cutting-edge research. We have hosted conferences and roundtable discussions on innovative topics and promote Ofcom representatives to participate in these discussions. We have a Data Ethics framework to reduce the risk of Ofcom infringing privacy driven by data collection activities. Through the DRCF, Ofcom and other member regulators can tackle complex digital issues together with a more holistic, cohesive, and informed approach to digital regulation. We continue to strengthen and develop industry partnerships, for example with our work promoting technology solutions through SONIC Labs. We regularly review and refresh our academic panel of subject matter experts and thought leaders in their respective fields.
<p>Online Safety, Telecoms Security</p> <p>Risk that Ofcom fails to prepare for actual and potential changes to our remit.</p>		<p>Telecoms Security Requirements</p> <ul style="list-style-type: none"> The new security regime commenced in October 2022. DCMS published the final Code of Practice on 1 December 2022; we subsequently published our final Procedural and Resilience Guidance, which sets the approach we will take to regulating this new regime. We continue to work closely with NCSC to understand the changing nature of the security threat. <p>Online Safety</p> <ul style="list-style-type: none"> Our cross-Ofcom programme to prepare for new online safety responsibilities is well established and advanced in our preparations for our new duties. We are providing ongoing advice to Government and Parliament to ensure the statutory framework is workable and effective.


Key to priorities

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Principal risks	Priority	Mitigating actions
<p>Strategy, Research and Horizon Scanning</p> <p>Risk that Ofcom fails to invest sufficiently in our strategy, research and horizon scanning work to understand future developments in our sectors, in the context of cross-cutting macro developments (political, economic, social, technology, legal and environmental).</p>		<ul style="list-style-type: none"> ▪ We strengthened and formalised our horizon scanning process throughout the year, feeding into our three-year planning and Board Strategy Day – we used this to develop Ofcom’s internal three-year strategic plan. ▪ We invested resource in our horizon scanning programmes including ‘Future Megatrends’ report and Insights programme, and Tech Discovery (TDI). ▪ We continue to expand our centrally located library of all insights which can be accessed by all teams based on their needs. ▪ We have identified and progressed specific project areas: including telecoms and broadcast cloudification, online trust and safety tech, implications of the metaverse and Web 3.0.
<p>Commercial Understanding</p> <p>Risk that Ofcom fails to have a sufficient commercial understanding of the markets we regulate, both the industry priorities of businesses driven by commercial incentives and technological developments, and the changing needs and demands of consumers.</p>		<ul style="list-style-type: none"> ▪ We continue to have engagement with stakeholders’ strategy, technology and product teams and with other subject matter experts. ▪ We have invested in our understanding of online platforms, business models through workshops and engagement with industry through our cross-cutting digital markets strategic work programme. ▪ We have strengthened our research into the needs and demands of consumers, particularly online: e.g. behavioural insights, online research panel, and Making Sense of Media. ▪ We have focused our recruitment to ensure we bring in high calibre colleagues with strong commercial and industry experience in their relevant area for key senior roles.



Key to priorities

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Principal risks	Priority	Mitigating actions
<p>Regulatory Decisions</p> <p>Risk that Ofcom fails to make appropriate, evidence-based and legally defensible, regulatory decisions, in line with our statutory duties, which take account of evolving market developments.</p>		<p>Interventions in the Telecoms Market</p> <ul style="list-style-type: none"> Following the Wholesale Fixed Telecoms Market Review (WFTMR) statement in 2021 (setting out the regulatory framework to support the rollout of full-fibre networks across the UK), we continue to monitor implementation to ensure that consumers benefit from competitive markets. We published our statement on the future approach to mobile markets in December 2022 and maintain regular engagement with the market. <p>Sustainable delivery of Universal Service Obligation by Royal Mail</p> <ul style="list-style-type: none"> We concluded our review of postal regulation (2022-2027), which aims to provide regulatory certainty for investors, while giving Royal Mail the maximum opportunity to transform its business to support sustainability. We have introduced requirements which seek to make Royal Mail more accountable in reporting on its longer-term view of sustainability and efficiency ambition. <p>Availability of Spectrum</p> <ul style="list-style-type: none"> We are now delivering our spectrum management strategy as set out in our Spectrum Roadmap, published in March 2022. We have regular sector reviews to ensure that Ofcom is aware of market developments and spectrum demands in a timely manner, while noting the potential for direct impacts on current users if we change use. <p>Support UK Broadcasting, including the PSB Sector</p> <ul style="list-style-type: none"> We continue to provide advice to Government based on widespread audience research and stakeholder engagement, ensuring we remain across relevant commercial and technological developments and challenges.

Key to priorities

 <p>Investment in strong secure networks</p>	 <p>Getting everyone connected</p>	 <p>Preparing to regulate online safety</p>	 <p>Developing new partnerships</p>
 <p>Fairness for customers</p>	 <p>Supporting and developing UK broadcasting</p>	 <p>Strengthening Ofcom for the future</p>	

Principal risks	Priority	Mitigating actions
<p>People</p> <p>Risk that Ofcom fails to have the right people strategies, leadership and culture to ensure we have the right people with the right skills and diversity of backgrounds at the right time to deliver the Plan of Work. Risk that our leadership and culture fail to create a productive, inclusive and effective working environment which means delivery is below expectation or potential.</p>		<ul style="list-style-type: none"> ▪ We embedded a new performance and career management system including a more streamlined management structure, investing in leadership and developing existing talent and skills, and are now moving to evolve this further. ▪ We have a Connected Working Framework in place to ensure we support inclusive and collaborative working and to help support colleagues build strong and effective working relationships. ▪ We are monitoring our performance against our Diversity and Inclusion targets, and we are progressing disability and LGBTQ+ action plans. ▪ We launched the new Online Safety Group in April 2023 and work to date has put us in a strong position to plan talent and recruitment in a timely manner.
<p>Cyber and Information Security</p> <p>Risk that Ofcom’s approach to cyber security proves ineffective leading to a cyber-attack on critical infrastructure of the business</p>		<ul style="list-style-type: none"> ▪ We have delivered ongoing mandatory cyber and information security training for all colleagues in Ofcom. ▪ We are working with our partner organisations to continually monitor threats and implement security measures. ▪ We review software procurement processes to limit use of unauthorised applications that may be compromised.

Key to priorities

 <p>Investment in strong secure networks</p>	 <p>Getting everyone connected</p>	 <p>Preparing to regulate online safety</p>	 <p>Developing new partnerships</p>
 <p>Fairness for customers</p>	 <p>Supporting and developing UK broadcasting</p>	 <p>Strengthening Ofcom for the future</p>	

Stakeholder engagement

Work in the Nations and our international engagement

In discharging our duties, we must consider all the different nations, regions, cultures, population densities and landscapes that make up the UK.

Our offices in Cardiff, Belfast, Edinburgh, London, Warrington and Birmingham and our new Manchester office allow us to engage directly with Governments, elected representatives and local stakeholders and to ensure we consider the views, interests and needs of people across the UK.

In addition, we have statutory Advisory Committees for England, Wales, Northern Ireland and Scotland, and Board members for Wales, Scotland and Northern

Ireland who are appointed by the Welsh and Scottish Governments and the Northern Ireland Executive respectively, in consultation with the UK Secretary of State. Our Content Board and Consumer Panels also have members representing each part of the UK.

In February 2022, Ofcom published a report on how the media reported on Covid across the devolved nations.

Although much of our work is relevant across all the UK, we have highlighted some specific work carried out relating to each of the UK's nations over the past year, noting that further work needs to be done.



Northern Ireland

- We completed the appointment of two new Advisory Committee members, Aodhan O'Donnell and Colm Murphy, and a new Ofcom Content Board Member for Northern Ireland, Maria McCann.
- We continued to play a role in the Shared Rural Network NI working group and the Northern Ireland Executive's Mobile Action Plan working group and barrier busting taskforce, working with a range of stakeholders to help deliver improved 4G and 5G coverage across Northern Ireland.
- We engaged with consumer bodies and UK Government departments in relation to the Northern Ireland Protocol and the area of parcel movements between Great Britain and Northern Ireland.
- We provided data and analysis on Northern Ireland's media and communications sectors through our annual Media Nations and Connected Nations reports for Northern Ireland.
- We awarded licences for new small-scale DAB multiplexes in the Newry, and Belfast and Lisburn areas.
- A new Disability Action Plan for Northern Ireland was published, which reflects our UK-wide Diversity & Inclusion strategy.
- We engaged with government departments, agencies and law enforcement to build awareness of the forthcoming online safety regulatory regime.

Scotland

- We completed the appointment of one new Advisory Committee member, Polly Tolley.
- We've spoken with a growing cohort of stakeholders within Scotland in preparation for our online safety duties, such as the Bayes Centre, the University of Edinburgh's Innovation Hub for Data Science and Artificial intelligence and Young Scot, the national youth information and citizenship charity for Scotland.
- Our stakeholder work has also seen us progress relationships with the radio sector, and we held a roundtable session involving established stations from Fort William and Campbeltown to new small-scale DAB services in Edinburgh, as well as larger commercial services from Bauer, DC Thomson and Nation radio.
- We were pleased to be able to appoint a new Chair of MG ALBA, as well as deepening our relationships with STV (on issues such as Channel 3 relicensing), BBC Scotland (as they renew their Partnership Agreement with MG ALBA in relation to the BBC Alba service) and Screen Scotland.
- In line with our Memorandum of Understanding, we continue to work closely with the Scottish Government, maintaining links between senior executive and Board members and Cabinet Secretaries in the Scottish Government; and providing technical and regulatory advice in relation to their Reaching 100% and Scottish 4G infill programmes and on issues such as resilience in the telecoms sector.



Wales

- We continued to engage with the creative industries on the future of public service broadcasting, giving evidence to the Welsh Government and Plaid Cymru's expert panel on creating a Shadow Broadcasting and Communications Authority for Wales. We also gave evidence to the Welsh Affairs Select Committee's inquiry into Broadcasting in Wales.
- Political and industry stakeholder engagement has featured prominently during the year. We have ensured that our stakeholders are kept informed of developments in our work and are fully engaged with our consultations. Our event 'Improving mobile coverage in rural Wales' at the Royal Welsh Agricultural Show focused on the progress of the Shared Rural Network programme. We welcomed colleagues from the Broadcast Licensing team to host a roundtable discussion with radio sector stakeholders and colleagues from Online Safety who outlined our map to regulation to interested parties. We also accompanied Content Media Policy colleagues to a series of meetings with the independent production sector in Wales. In addition, it was our pleasure to welcome Lord Grade to Wales on his first visit as Ofcom's Chair.
- In line with our Memorandum of Understanding between the UK Government, the Welsh Government and Senedd Cymru, Ofcom's team in Wales has continued to work closely with all parties to help deliver improvements to communications services in Wales.
- We met with the new Welsh Language Commissioner and look forward to establishing a constructive working relationship with her. We are developing plans to implement two findings by the Welsh Language Commissioner.

England

- We completed appointment of one new Advisory Committee member, Caroline Gardner.
- We continue to work closely with the UK Government, local MPs and local authorities, providing regulatory and technical advice.
- In October, the BBC set out plans to transform its local services in England, including its local radio stations. We discussed these plans with the BBC in detail and scrutinised its proposals. We expect the BBC to review the impact of its changes to local radio in England as they are implemented to ensure that they are meeting audience needs.
- Following a subtitle outage on Channel 4, and a general TV and radio outage in north-east England, we reported on these serious incidents. We are enforcing rules and reviewing guidance that make subtitles, signing and audio description available to people with sight and/or hearing loss.
- We maintained our engagement with diversity issues, focusing on the vulnerable, particularly in the switch to voice over IP, and on rural communities.



Our international engagement

Engaging internationally helps make communications work for everyone in the UK.

Our areas of responsibility are global and interdependent in nature, requiring us to work collaboratively with a range of international partners to deliver good outcomes for UK consumers. As our preparations for online safety regulation continue, we are investing in existing and new networks such as the World Economic Forum and Global Online Safety Regulators Network. We continue our preparatory work for the 2023 World Radio Conference, where we represent the UK in negotiations on the use and harmonisation of radio spectrum. We use our international engagement to bring knowledge and insights to inform how we design and implement regulation in the UK and as part of our horizon scanning activity. We also share our expertise with international partners and seek to influence regulatory developments in the sectors that matter to us.

We interact with international counterpart regulators, industry, and academia to exchange views on topics like online safety, network resilience and digital markets, alongside our broader programme of work which reflects the sectors Ofcom is responsible for regulating. While we continue to engage with partners in the EU, our relationships extend beyond Europe, including to the United States, Australia and Singapore, particularly as part of our online safety work. Building and expanding networks and strong international relationships in this emerging regulatory field will be crucial to the success of our domestic regulation.

We participate in formal and informal regulators' networks and working groups across the sectors we regulate, as well as multi-stakeholder forums such as the Internet Governance Forum and World Economic Forum. This regulatory cooperation helps to deliver benefits like creating a shared understanding of the tools available to regulators and, where possible, avoiding unnecessary divergences between comparable regulatory regimes in the UK and abroad. Our engagement also provides insights and best practice comparisons to inform our own work in areas such as media literacy, net neutrality and spectrum sharing.

Across our sectors, we face similar market and regulatory trends and challenges to many of our European counterparts, particularly when it comes to the regulation of digital platforms. Engaging with partners in Europe remains an important part of our international work, particularly where our powers are originally derived from EU legislation.



We have co-founded an International Working Group on Age Verification with other European regulators to help ensure consistent implementation of rules obliging video-sharing platforms to protect minors from restricted content on these services. We are active participants in regulatory dialogues at European level, including through our membership of the Independent Regulators Group (IRG), a group of 37 European communications regulatory authorities and the European Platform of Regulatory Authorities (EPRA), a network of 54 European media regulators.

We have continued to invest in our relationships beyond Europe, where we have had several constructive exchanges with regulators and governments from around the world across all our work areas, including regulatory collaboration (where we have shared our experience of the DRCF), cloud computing, wholesale access regulation and media literacy. In the online space, we were involved in the launch of the Global Online Safety Regulators Network in November 2022, which aims to develop shared norms and drive regulatory best practice in this emerging field of regulation.

Intergovernmental Organisations

Ofcom is vice-chair of the European Conference of Postal and Telecommunications Administrations (CEPT) Conference Preparatory Group (CPG), which is responsible for developing European positions for the next International Telecommunication Union (ITU) World Radio Conference (WRC) taking place in late 2023. We also chair the European Electronic Communications Committee (ECC), the most senior spectrum group within the CEPT, which works across a wide range of issues related to spectrum use, including mobile broadband and 5G, improving consumer and business connectivity with increased Wi-Fi, satellite communications and navigation, broadcasting and transport (including road, rail and aeronautical). Ofcom also holds leadership positions in several ITU and CEPT project teams and study groups. Finally, Ofcom represents the UK on the ITU's governing body, the ITU Council.

We support the UK Government at the Universal Postal Union (UPU), the inter-governmental body which governs the price of international mail between Universal Postal Service Providers. We are active in European and international postal bodies, where we work closely with fellow international postal ministries and regulators, including in the Committee on European Postal Regulation (CERP).

Ofcom continues to participate in the policy development work of the Organisation for Economic Co-operation and Development (OECD), sitting on the Communications Services and Infrastructure Committee (CSI) and engaging in the work of the Network of Economic Regulators (NER) and Regulatory Policy Committee (RPC).



Ofcom's regulatory principles

When we regulate

- Ofcom will operate with a bias against intervention, but with a willingness to intervene promptly and effectively where required.
- Ofcom will intervene where there is a specific statutory duty to work towards a goal that markets alone cannot achieve.



How we regulate

- Ofcom will always seek the least intrusive regulatory methods of achieving its objectives.
- Ofcom will strive to ensure that interventions are evidence-based, proportionate, consistent, accountable and transparent in both deliberation and outcome.
- Ofcom will regulate with a clearly-articulated and publicly-reviewed annual plan, with stated objectives.



How we support regulation

- Ofcom will research markets constantly and aim to remain at the forefront of technological understanding.
- Ofcom will consult widely with all relevant stakeholders and assess the impact of regulatory action before imposing regulation on a market.



Better regulation

We believe 'better regulation' means ensuring rules are properly targeted; do not impose undue burdens on businesses; or cause unnecessary barriers to innovation, investment and the development of choice and competition in the market.

During the past year we have made several significant regulatory decisions, but the volume of documents we publish has stayed broadly the same. Figure 1 below provides an overview of how the regulatory burden on stakeholders changed because of Ofcom's regulatory decisions and statements in 2022/23.

Figure 1: Impact of our statements on the regulatory burden to stakeholders, 2022/23

Of the 45 Major Statements delivered in the year:	Number	Percent
Increased/new regulation	5	11%
Mixed/no change/ongoing	37	82%
Reduced regulation	1	2%
Streamlined/co-regulatory	2	4%

An overview of the main decisions and statements that we have made during the year can be found in Annex 2.

Consultations

Public consultations allow stakeholders to comment on, and respond to, our proposals before any final decisions are made. If the period for consultation is too short, some of those with important views to share may not have enough time to prepare their responses. If it is too long, the market concerned may have changed dramatically. When we decide how long a consultation should last, we need to strike the right balance between these two considerations. Included in Figure 2 is an analysis of the length of our consultations by sector.

Figure 2: Analysis of consultation duration, 2022/23

	Consultation period at least ten weeks	Consultation period less than ten weeks (inc category 2 and category 3 consultations)
Telecoms	2	5
Broadcasting	1	8
Spectrum	7	11
Post	0	1
ECC	0	14
Other	0	4
Total	10	43
Total (22/23)	19%	81%
Total (21/22)	8%	92%

Timelines of decision making

We analyse how long it takes us to publish a decision following the close of a consultation (see Figure 2). In 2022/23, 100% of our decisions were announced within twelve weeks of closing a consultation.

Impact assessments

Impact assessments are an important part of the decision-making process. Section 7 of the Communications Act 2003 requires us to carry out an impact assessment when we are proposing to do anything for the purposes of, or in connection with, the carrying out of our functions, and we consider the proposal to be important. Impact assessments ensure, among other things, that in relation to our decisions:

- a wide range of options are considered, including the option of not regulating;
- these options are clearly presented;
- the potential effects that would flow from each option are analysed carefully; and
- the costs associated with the chosen option are outweighed by the benefits.

In March 2023, we published [Ofcom's draft impact assessment guidance](#)³ which re-emphasised Ofcom's commitment to conducting assessments as an integral part of the policy-making process, and stated that we expected to carry out impact assessments in most of our policy decisions. We publish a list of the impact assessments we carry out during the year; this is in Annex 2.

Figure 3: Analysis of impact assessments (IA) carried out

Number of consultation documents	Total	IA explicit in published document
Telecoms	7	6
Broadcasting	9	3
Spectrum	17	12
Post	1	1
ECC	14	13
Other	4	4
Total	52	39

Figure 3 highlights that, in 2022/23, 75% (2021/22: 80%) of consultations had conducted an impact assessment, explicitly referenced in a specific section or annex of the consultation document. In some circumstances, it may not be necessary or appropriate to conduct an impact assessment, or it may be implicit within the consultation. We will continue to ensure that impact assessments are carried out and properly presented in all relevant cases.

3. Ofcom's impact assessment guidance:

https://www.ofcom.org.uk/_data/assets/pdf_file/0023/255560/Impact-Assessment-Guidance.pdf

Financial review

While Ofcom is directly accountable to Parliament, our funding comes from stakeholders in the sectors we regulate (see Figure 4 on page 64).

Over the past decade, our overall fees have been largely flat in cash terms, meaning that the cost of our regulation has fallen significantly in real terms. Driving cost consciousness and value for money within all our activities continues to be a priority for us. We have delivered significant efficiencies, absorbing inflationary pressures through savings including reducing our London footprint and making ICT efficiency investments. This is reflected in Ofcom’s ability to hold budgets flat since 2015/16, on a like for like basis (with only a one-off inflationary increase provided in 2020/21).

Our responsibilities include the collection and transfer of licence fees collected under the Wireless Telegraphy Act 2006 (WTA), geographic telephone numbers, additional payments from broadcasting licensees and the levying of fines and penalties on stakeholders (all of which are set out in Section 400 accounts and do not form part of our annual accounts).

As a result of this, we are a net contributor to HM Treasury. Ofcom collected £1,163m of fees and penalties in 2022/23, of which we retained £112.1m to fund our spectrum management and other relevant duties. The balance was passed to HM Treasury and the Consolidated Funds.

Financial performance

In 2022/23, our cash outturn of £176.4m was 2.4% lower than our spending cap and budget of £180.7m.

	Budget £m	Outturn £m	Variance £m
2022/23	180.7	176.4	4.3
2021/22	155.7	146.9	8.8
Variance	25.0	29.5	4.5

Our budget increased from 2021/22 to 2022/23 by £25.0m, reflecting additional funding for new duties including Online Safety (£22.4m), the Telecoms Security (£1.9m) and Advertising of products High in Fat Sugar and Salt (£0.7m). Our budget and spending cap for the existing duties remained flat at £131.9m.

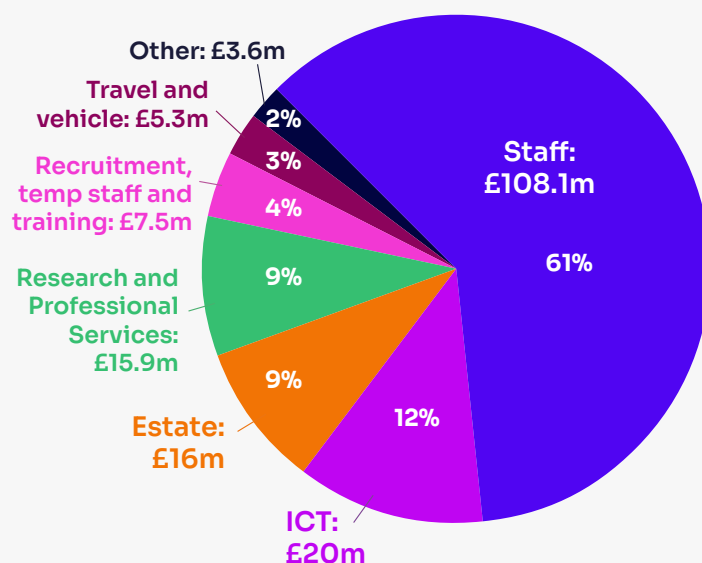
Costs relating to Spectrum Clearance and Awards Programme do not fall within Ofcom’s spending cap and budget, and as such, are reported separately to differentiate from Ofcom’s core activities. Further detail on this is set out on page 61.

Operating income and expenditure

Income for 2022/23 was £179.4m (2021/22: £149.7m). See note 3 to the accounts (page 129) for a breakdown of income by the relevant regulated sector.

61% of our total cost base relates to staff costs, with a significant part (21%) of the remaining cost base fixed in relation to property and systems costs.

Spend by key cost type 2022/23



Staff costs increased by £17.7m to £108.1m (2021/22: £90.0m), driven by FTE increase, see note 4 to the accounts (page 130) for FTE movements.

Excluding staff costs, expenditure in 2022/23 increased by £11.4m to £67.2m (2021/22 £55.8m). The main operating variances from the prior year are due to:

- Audience, consumer and technological research costs increased by £3.5m due to preparatory work for Online Safety.
- Premises costs increased by £1.9m with increases to our utilities and one-off spend refitting our estate to support our expanded workforce, in line with our connected working framework.
- Outsourced Services costs increased by £1.8m due to preparatory work for Online Safety;
- Travel and subsistence costs increased by £1.5m following the lifting of covid restrictions and due to preparatory work for Online Safety;
- Admin and Office expenses increased by £1.4m mainly due to external stakeholder events resuming which were minimal in 2021/22 due to Covid restrictions;
- Information and Technology costs increased by £1.3m driven by increased software and system development costs in preparation for the Online Safety regime;
- Temporary staff and recruitment costs increased by £0.4m due to use of contractor resource in preparation for the Online Safety regime.
- Professional Services decreased by £0.7m, compared to the previous year, due to recovery of legal costs in 2022/23 and one-off transformation spend in 2021/22.

Surplus/deficit for financial year

Funding surplus or deficit

The operating revenue required by Ofcom to fulfil our duties and deliver our programme of work for any financial year is calculated based on Ofcom's statement of charging principles. This approach specifies the actual funds that need to be collected to discharge cash liabilities during the year. Any surplus funds arising because of budgetary savings achieved during the financial year are returned to stakeholders through a reduction in the annual tariffs raised in the two following financial years.

Note 2 of the accounts within Section C reconciles the total operating expenditure by regulated sector, as presented in the Statement of Income and Expenditure to Ofcom's actual operating outturn.

The funding surplus for the financial year relates to the accrued and deferred income balance as set out in Note 2 to the accounts and totals £2.9m (2021/22: £7.7m surplus).

Accounting surplus or deficit

An accounting surplus is required to cover expenditure not reflected in the Statement of Income and Expenditure, including capital expenditure and deficit recovery payments necessary in respect of the two defined benefit pension plans.

An accounting deficit occurs where depreciation, amortisation and other non-cash transactions are greater than the income received to cover the cash costs of capital items.

The accounting surplus for the financial year after tax, recorded in the Statement of Income and Expenditure for the year under review, was £3.9m (2021/22: £3.3m surplus).

Spectrum Clearance and Awards Programme

All costs relating to Spectrum Clearance and Awards Programme are reported separately from Ofcom's core responsibilities in the financial statements.

We incurred no expenditure on spectrum clearance this financial year (2021/22: £8.7m). Some additional work was found to be necessary and is due to be completed in Q1 of 2023/24, at no additional cost to the grant scheme. The remaining temporary mast decommissioning grant payments are due to be concluded by Q4 2023/24.

Thus, we did not claim grant in aid (2021/22: £10m) and the surplus of £1.3m from 2021/22 has been deferred for use in 2023/24.

Additional funds collected on behalf of HM Treasury

Ofcom prepares a separate set of Financial Statements for the purposes of Section 400 of the Communications Act 2003. These transactions are not included in the Financial Statements. The fees, payments and penalties are reported, with further details provided, within these Financial Statements in Note 23 to the accounts, with further information in Annex 1 on page 157.

During the 2022/23 financial year Ofcom collected £1,163m (2021/22: £1,800.5m) on behalf of HM Treasury. Further details can be found in the Section 400 Accounts.

Ofcom retained £112.2m (2021/22: £84.5m) to fund some of Ofcom's core responsibilities, including Spectrum Management and preparatory work for Online Safety.

A total of £1,045.4m was transferred to Government accounts in the financial year.



During the 2022/23 financial year



£1,163m

(2021/22: £1,800.5m)

was collected by Ofcom
on behalf of HM Treasury



Further details can be found in the S400 Accounts.

£112.2m

(2021/22: £84.5m)

was retained to fund some of
Ofcom's core responsibilities.

Including
Spectrum
Management and
preparatory work
for our online
safety duties



£1,045.4m

was transferred to
Government accounts

Pensions

Ofcom provides pension benefits through a defined contribution pension allowance that is available to all colleagues. The allowance may be used to contribute to the Ofcom defined contribution stakeholder pension plan.

Colleagues who joined Ofcom from legacy regulators when Ofcom was established, were entitled to retain membership of one of two defined benefit (DB) pension plans. Both plans are closed to new entrants and benefits accruals ceased on 1 June 2011.

From this time, all existing members were provided with access to the Ofcom defined contribution plan. Notes 1(k) and 20 to the accounts provide further detail.

The actuarial valuations for both schemes as at the last formal valuation date of 31 March 2021, completed every three years, highlighted a combined funding deficit of £0.6m. The Ofcom Defined Benefit Pension Plan actuarial valuation shows a deficit of £0.6m. The Ofcom (Former ITC) Staff Pension Plan valuation liabilities have all been bought in and therefore there is no surplus or deficit.

However, the 2022/23 financial statements show a surplus of £11.5m, in part because the pension liabilities under the financial statements are prepared on the basis that the liabilities are discounted in line with the yields on high-quality bonds which, under current market conditions, differ significantly from the approach used for determining Ofcom's contributions. This also reflects the significant movements in financial markets since the date of the actuarial valuations in March 2021.

Ofcom makes cash payments to the Ofcom Defined Benefit Plan and the Ofcom (Former ITC) Staff Pension Plan on the basis of the actuarial valuations. Cash payments, rather than the amount charged to operating surplus as calculated under IAS 19, are included in operating expenditure outturn used to calculate the tariffs charged to stakeholders each year.

As a consequence of the risk mitigation work between Ofcom and the Trustees and Actuaries of both pension plans, approximately 80% of the plans' liabilities are now backed by annuities. As part of the ongoing activity to manage and mitigate risks of the plans, further insurance-backed benefit buy-ins in respect of pensioner members will be considered in the future.



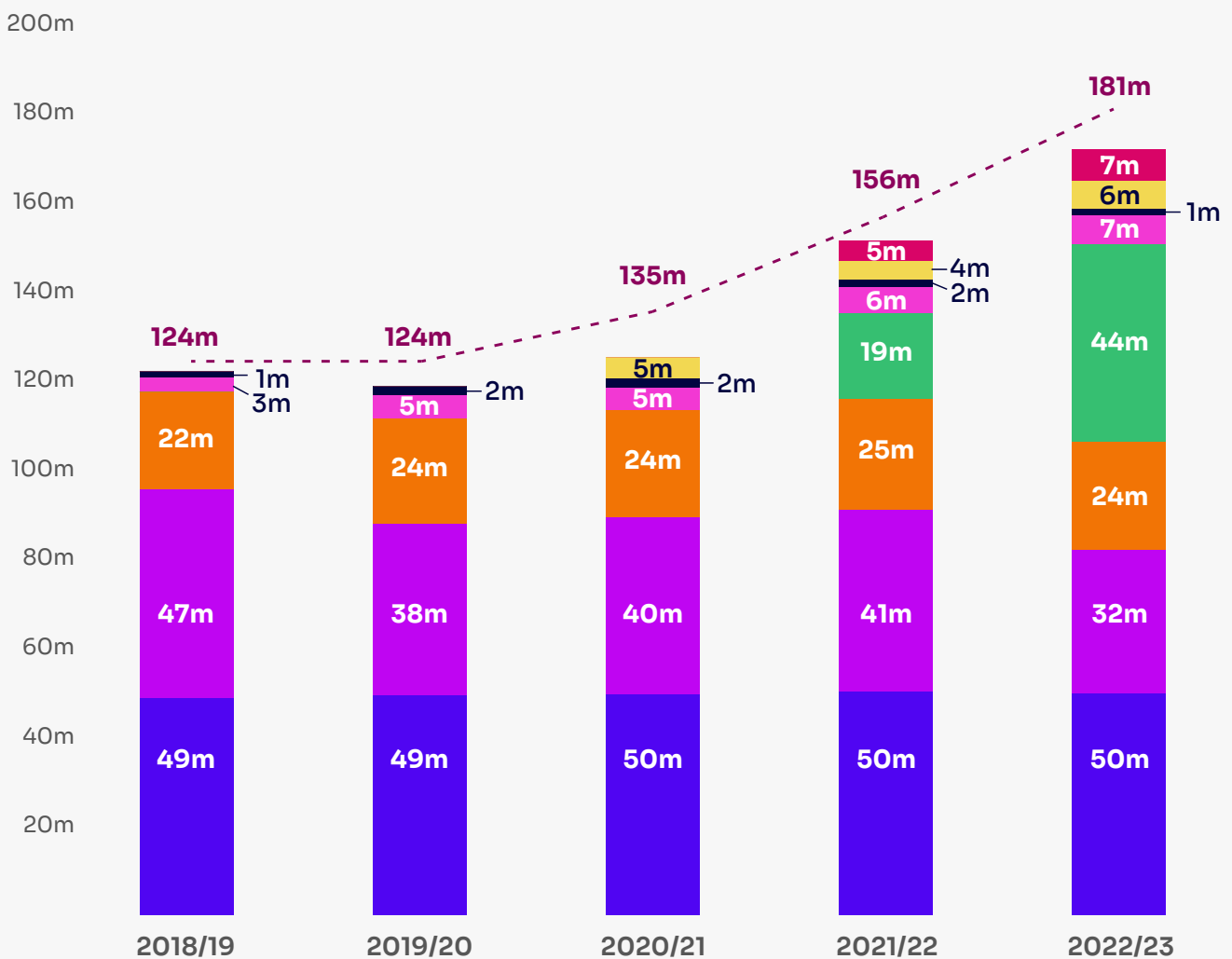
Tariffs

Ofcom published the 2022/23 Tariff Tables on 25 March 2022. Ofcom’s core budget remains at the same level as the previous financial year, £131.9m. The overall spending cap was increased further by £48.8m to incorporate preparatory work for our new regulatory duties i.e., Online Safety and Telecommunications (Security) Act.

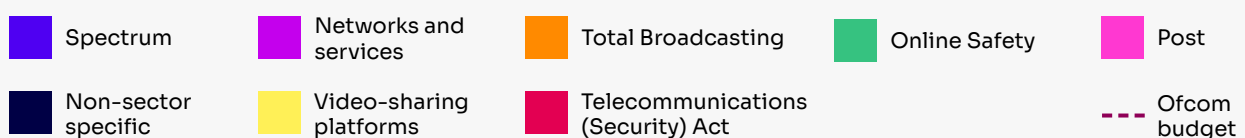
These activities were funded by the retention of Wireless Telegraphy Act 2006 (WTA) receipts and not stakeholder tariff. Further details can be found in the [2022/23 Tariff Tables](#) on our website.

As shown in Figure 4 below, except for costs associated with our new responsibilities, the overall tariffs for each regulatory sector are broadly in line with the five-year average, except for Networks & Services which has seen a shift of funding from security related work to WTA funding, thus reducing the charges to stakeholders in that sector.

Figure 4: Five-year sector view of funding



The difference between the budget and funding requirement in each financial year in the chart above, represent prior year adjustments which are incorporated in our fees.



Corporate responsibility

Ofcom's commitment to corporate responsibility.

We are stronger as an organisation when we are connected to the communities where we work, and we seek to reduce the environmental impact of our operations.

To achieve this:

- We are committed to helping reduce the UK's overall carbon emissions and adopting and promoting sustainable practices wherever we can.
- We work closely with schools to explain our work and the opportunities on offer at Ofcom, as well as offering strong and highly sought-after graduate and apprenticeship programmes to a wide range of students.
- We act to build closer links with local communities in London, Manchester, Edinburgh, Cardiff and Belfast and have increased our paid volunteering leave for all colleagues to 5 days per year.

Environmental Policy

Ofcom has a goal to reduce its environmental impact. We all have a part to play in addressing threats to our planet's natural systems and biodiversity. Ofcom is therefore committed to assessing, understanding and improving its environmental performance including via the delivery of contracted supplies and services.

In the last year, we have adopted a new environmental policy, which demonstrates our commitment to reducing our impact and obtained ISO14001:2015 accreditation (Environmental Management System), helping us take a more systematic approach to improving our environmental performance.

Schools and institutions

We continued our extensive school outreach work, reaching students from more than 50 schools. We provided support to schools and institutions online, through virtual work experience sessions with the charity EY Foundation and outreach with a specialist social mobility organisation to help us identify, coach and support young people in taking the first step in their career, including applying for our apprenticeship programmes.

Working with EY Foundation, we sponsored 18 students to take part in their Smart Futures paid work experience programme in our Manchester location. This independent charity gives young people the skills, experiences and support to help them secure the roles they really want and connects employers to talented young people across the UK. As part of the programme, we reached young people (16+) from low-income backgrounds in Manchester, helping them to gain a variety of transferable skills that will give them a head start in their career in our industry. All the young people achieved an accredited qualification.

We have an ongoing programme to increase gender and ethnic diversity in our Science, Technology, Engineering and Maths (STEM) roles. As well as colleagues supporting and hosting events such as Ofcom's Women in Cyber event in October 2022, Ofcom has sponsored WeAreTechWomen and Digital Her, supporting and encouraging more women into careers in digital and technology. We also support the STEM Ambassadors programme which helps employers connect with young people, inspiring them to become the next generation of STEM professionals.

Graduates

Ofcom's graduate programme has an annual intake of graduates into its two-year programme, with 29 joining us in September 2022. Working with a specialist graduate recruitment organisation, we are harnessing their reach across hundreds of universities across the UK and we were able to recruit high calibre graduates from very diverse backgrounds. Our graduate programme offers a choice of pathways including policy, technology, cyber security, spectrum, economics, data science and finance. Graduates can develop a broad range of technical and behavioural skills in their chosen area, building on the knowledge and skills they already have.

Apprenticeships and internships

Apprenticeships

In January 2022, we established a strategic partnership with Visionpath to develop an end-to-end early careers programme targeted at socially disadvantaged young people. We fundamentally reimagined apprenticeship attraction and recruitment at Ofcom, focusing on recruiting from 38 schools/colleges where we engaged with 355 students, plus a development pathway to create an inclusive and supportive candidate journey that delivers the skills and support that diverse talent needs. We delivered two-day Skills Bootcamps in London and Manchester to build workplace skills and help our candidates identify and harness their strengths. Each candidate had a mentor at Ofcom for three months to help them make informed choices about their career, with skills to support their success at Ofcom or elsewhere. This led to positive outcomes for all candidates regardless of destination. From this programme of work, we recruited 15 policy, digital and customer service apprentices who joined us in September 2022. We are currently running the programme again for our 2023 intake where we will be recruiting a further 16 apprentices.

As well as school leaver apprentices, we also have 16 existing colleagues enrolled onto apprenticeships to gain additional skills such as professional qualifications from CIMA (accountancy), CIPD (People Profession or HR) to BEng (engineering).

Internships

In summer 2022, we hosted a three-week virtual Internship Experience UK programme for over 4,000 16–24-year-olds. We got involved in the public sector and technology streams to help give students an insight into the work we do at Ofcom.

Our Legal team partnered with the Sutton Trust's 'Pathways to Law' programme to host six students for paid work experience in August and September 2022. This ongoing programme aims to widen access to the legal profession, raise students' aspirations, and allow them to make informed decisions about their future career. It is open to students who attend non-fee-paying schools, with many students often being the first in their family to attend university.

In 2022, we were proud to take part in the 10,000 Black Interns programme. The initiative seeks to offer 10,000 internships to young Black people, involving more than 700 companies. We offered 13 students a six-week paid work experience programme at Ofcom and will be running the programme again in 2023 with 25 places already offered. During the programme interns are supported to apply for permanent positions, and one of our 2022/23 interns has subsequently joined our graduate programme for economics.

Volunteering

In January 2023, we increased our paid volunteering leave from 3 days to 5 days. Colleagues can use this leave in a variety of different ways including working as magistrates, supporting young people in academic settings, as well as community volunteering e.g. as trustees or scout leaders.

Modern Slavery

Ofcom is committed to continually improving its policies and practices to play our part in tackling the serious issue of modern slavery. We do not tolerate slavery or human trafficking in our business or supply chains. We assess our contracts to identify risks and if any are found, we will work with our suppliers to monitor and manage them effectively. We publish an annual modern slavery statement to demonstrate how we deliver against these commitments.

Sustainability report

Ofcom has achieved the Greening Government Commitments targets (GGC Target: 58% reduction) and cut overall greenhouse gas (GHG) emissions by 60% from a 2017/18 baseline.

In 2022/23 our CO2 emissions increased compared to the previous year, reflecting the lifting of all Covid restrictions and our operations returning to a normal level. However, we have continued to reduce our energy consumption by switching to renewable energy across our estate, and we continue to manage business travel to the lowest possible levels through investment in technology and our flexible connected working framework.

Reporting on sustainability going forward

Since 2007, Ofcom has continually reduced the carbon footprint of the activities with the most significant impact on the environment. We are now working to put in place a formal accreditation framework, including an environmental policy, enhancing our reporting across our seven sites, and raising the visibility of the sustainability work across the organisation.

As a public organisation, we want to lead by example. In July 2022 Ofcom attained ISO14001: 2015 accreditation for Environmental Management System, helping us take a more systematic approach to improving our environmental performance and calculating our environmental footprint and look for opportunities to improve.

We continue to:

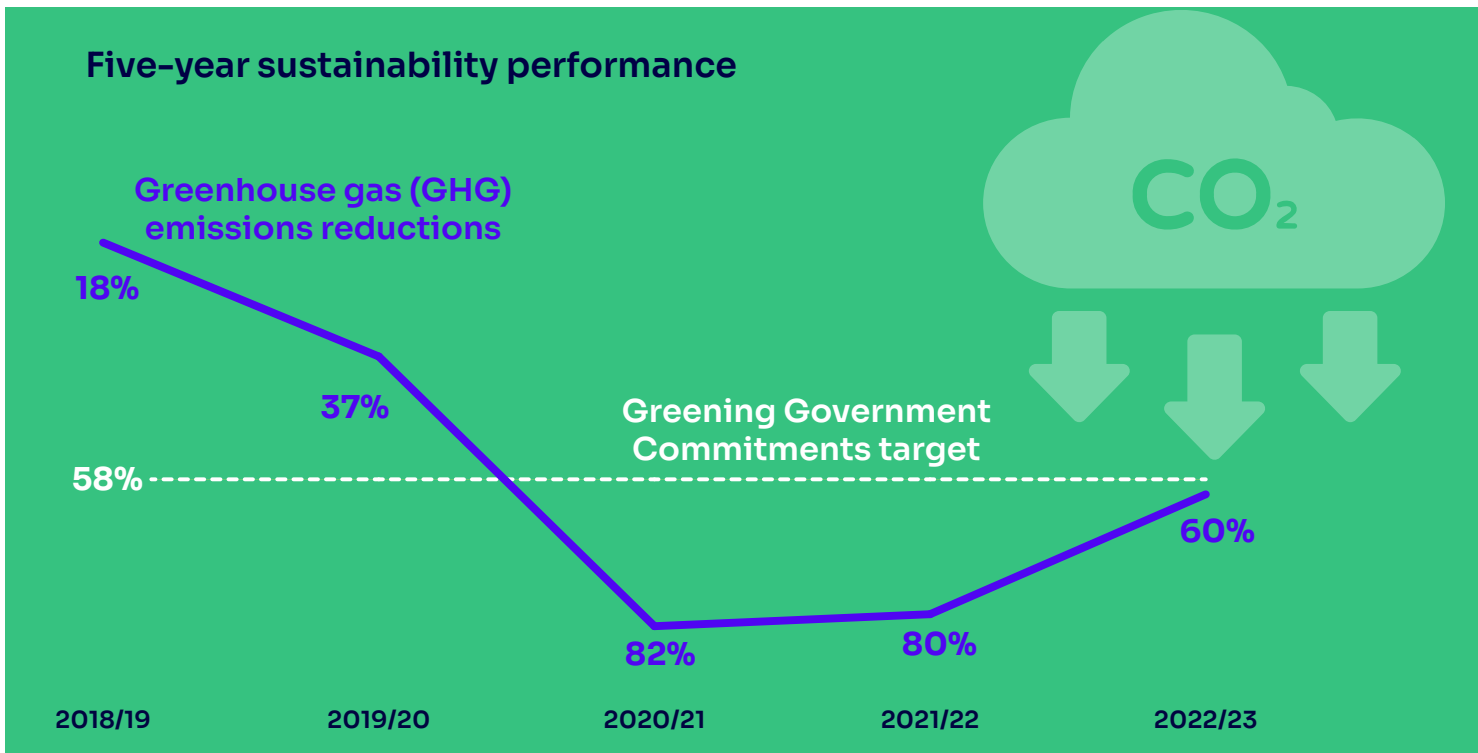
- follow the agreed Environmental Policy⁴, demonstrating our commitment to improving Ofcom's environmental performance;
- follow Plan-Do-Check-Act cycle, which is at the heart of all ISO management system standards, to improve all our systems, procedures and processes;
- identify the environmental aspects⁵ of our activities which we can control and influence and their potential impacts on the environment;
- determine how all relevant legislation and requirements relate to these aspects. By working within this framework, we assessed the things that worked well, while refining the ones that we need to improve on;
- establish measurable objectives and targets consistent with the objectives of our new policy;
- we determined clear planning actions to meet our objectives⁶ and ensure that we are compliant with all our obligations; and,
- empower colleagues to contribute to Ofcom's progress on the carbon impact and hold the organisation to account via the Green Champions programme.



4. <https://www.ofcom.org.uk/about-ofcom/policies-and-guidelines/environmental-policy>

5. Aspects are defined in the standard as the organisation's activities interacting with the environment.

6. Some of these planning actions include, for example: undertaking a waste audit across all our estate to better understand the waste we generate and measure it more accurately; establish a waste reduction strategy (including eliminating single use plastic from our operations); undertaking a biodiversity audit of our site in Baldock followed by a biodiversity improvement plan.



Five-year sustainability performance overview

		2018/19	2019/20	2020/21	2021/22	2022/23
Oil, gas & fuel	tCO ₂ e	327	185	108	115	140
	Expenditure	£117,133	£96,121	£54,969	£61,817	£105,672
Electricity	tCO ₂ e	528	308	189	172	220
	Expenditure	£287,074	£158,351	£127,929	£146,021	£908,816 ⁷
Business travel	tCO ₂ e	555	594	7	57	330
	Expenditure	£742,876	£837,982	£5,458	£139,275	£660,125
Total greenhouse gas emissions	tCO₂e	1,410	1,087	304	344	690
	Expenditure	£1,147,082	£1,092,454	£188,356	£347,112	£1,674,613

Dame Melanie Dawes DCB

Chief Executive and Accounting Officer

03 July 2023

7. Energy prices have significantly risen during 2022/23. Additionally, in one of our sites (Riverside house) from 2022/23, the apportionment of charges for energy use has been updated. This does not impact reported energy use.