

On-Demand Programme Service Fees

Background

Under section 368NA of the Communications Act 2003 (“the Act”), Ofcom may levy fees on ODPS providers to cover its regulatory costs each financial year. The amount of any fee must represent the appropriate contribution of each provider towards meeting these costs and must be justifiable and proportionate having regard to the provider who will be required to pay it and the functions in respect of which it is imposed.

Ofcom is required to consult with providers likely to be required to pay such a fee and in April we wrote to notified providers with our proposals for the 2026/2027 financial year, inviting them to provide comments on the following:

- the likely costs to Ofcom of carrying out the relevant functions relating to ODPS regulation during the financial year 2026/27;
- the resulting aggregate amount of fees that are required to be paid; and
- the estimated fees payable under each turnover band.

Ofcom did not receive any comments on the above proposals, although some providers sought clarification over which category they would fall into for 2026/27 fees.

Section 368NA(6) of the Act requires Ofcom to publish a statement as soon as reasonably practicable after the end of the financial year setting out, for that year:

- (a) the aggregate amount received by it in respect of fees required to be paid under subsection (2);
- (b) the aggregate amount outstanding and likely to be paid or recovered in respect of those fees; and
- (c) the cost to it of carrying out its relevant functions during the year.

In respect of the period 2025/2026:

- (a) the total amount received by Ofcom in respect of ODPS fees was £75,448 which included £5,838 in cost adjustments from previous years;
- (b) there are no outstanding fees from this period; and
- (c) the cost to Ofcom of carrying out its functions in respect of ODPS was £59,060

2026/27 Fees

The total sum of fees to be paid by all providers for 2026/27 will be **£158,616**. This figure is established each year by calculating the cost base for the year and adjusting this to account for any over/under recovery of costs from the prior financial years. This figure is lower than the figure of £162,736 included in the consultation due to an expected fee payer no longer providing a service. These costs will be recovered in 2027/28.

For 2026/27 the cost adjustment from prior years is £10,254, which includes the under recovery of expected costs. This produces a net view of costs to be recovered from the qualifying stakeholders based on their qualifying turnover. The budgeted costs are peer reviewed and externally audited¹.

The total sum of **£158,616** is higher than the aggregate fees for last year due to additional regulatory activity in relation to VOD enforcement and Ofcom’s Media Nations report (which includes reporting on the video on-demand market). However, fees remain lower than in 2024/25. Given Ofcom’s new duties under the Media Act we expect to consult on a new fee structure for ODPS and Tier 1 services ahead of the 2027/2028 financial year.

The fees in relation to Categories A, B and C are set out below:

Category	Turnover Band	2025/26 Fee (2024/25 fees in brackets)
C	Under £10m	£0 (£0)
B	>£10m but less than £50m	£2,060 (£1,056)
A	>£50m	£4,120 (£2,111)

¹ A fuller explanation of how Ofcom calculates cost base figures can be found in Annex A of our [Statement of Charging Principles](#).