



Draft Annual Plan 2015/16

Consultation Document

Consultation

Publication date:

19 December 2014

Closing date for responses:

26 February 2015

About this document

Each year in March, Ofcom publishes an Annual Plan which sets out our priorities and describes the other work we will be conducting in the coming year. This document is a draft of our Annual Plan covering the financial year 2015/16. We have published it in order to consult our stakeholders on our proposed priorities and other work.

The opening part of the document sets out the ten priorities we have identified for Ofcom in 2015/16 and six themes that characterise the main areas where we want to make progress in the coming year. We also describe the market context informing our work in these areas.

The second section contains a series of annexes which describe our programme of work in greater detail, including a full description of the work we will undertake under each priority work area. We also set out the other significant work we will be undertaking in addition to these priorities.

Contents

Chapters		Page
1	Executive summary	1
2	The market context for this Annual Plan	6
3	Our draft strategic priorities for 2015/16	10
4	Our other significant work for next year	13
5	Ofcom's competition powers	15
6	Our work in the nations	16
7	Potential work areas that may arise in future years	18
8	Delivering our duties and value for money	20
Annexes		Page
1	Detailed work programme for our priority work areas	22
2	Detailed work programme for our significant work areas	37
3	Ofcom's programmatic work and services to stakeholders	55
4	Reducing the burdens and complexity of regulation	62
5	Summary of responses to our invitation to comment	67
6	Responding to this consultation	77
7	Ofcom's consultation principles	79
8	Consultation response cover sheet	80

Chapter 1

Executive summary

This document sets out Ofcom's draft programme of work for the financial year 2015/16

- 1.1 The Annual Plan describes the work we will conduct in the coming year to fulfil our duties. It also identifies the priorities we have set for our organisation.
- 1.2 This year, we have divided our plan into two sections:
- the main body of the plan, which sets out our priorities for the coming year, the key themes of our planned work for next year, and the market context which has informed these themes. This section also describes our work to provide value for money for our stakeholders; and
 - Annexes 1-3, which provide a detailed description of our programme of work and how it will contribute to fulfilling our strategy. It also provides a summary of the responses to our invitation to comment in September and details of how to respond to this consultation in further annexes.

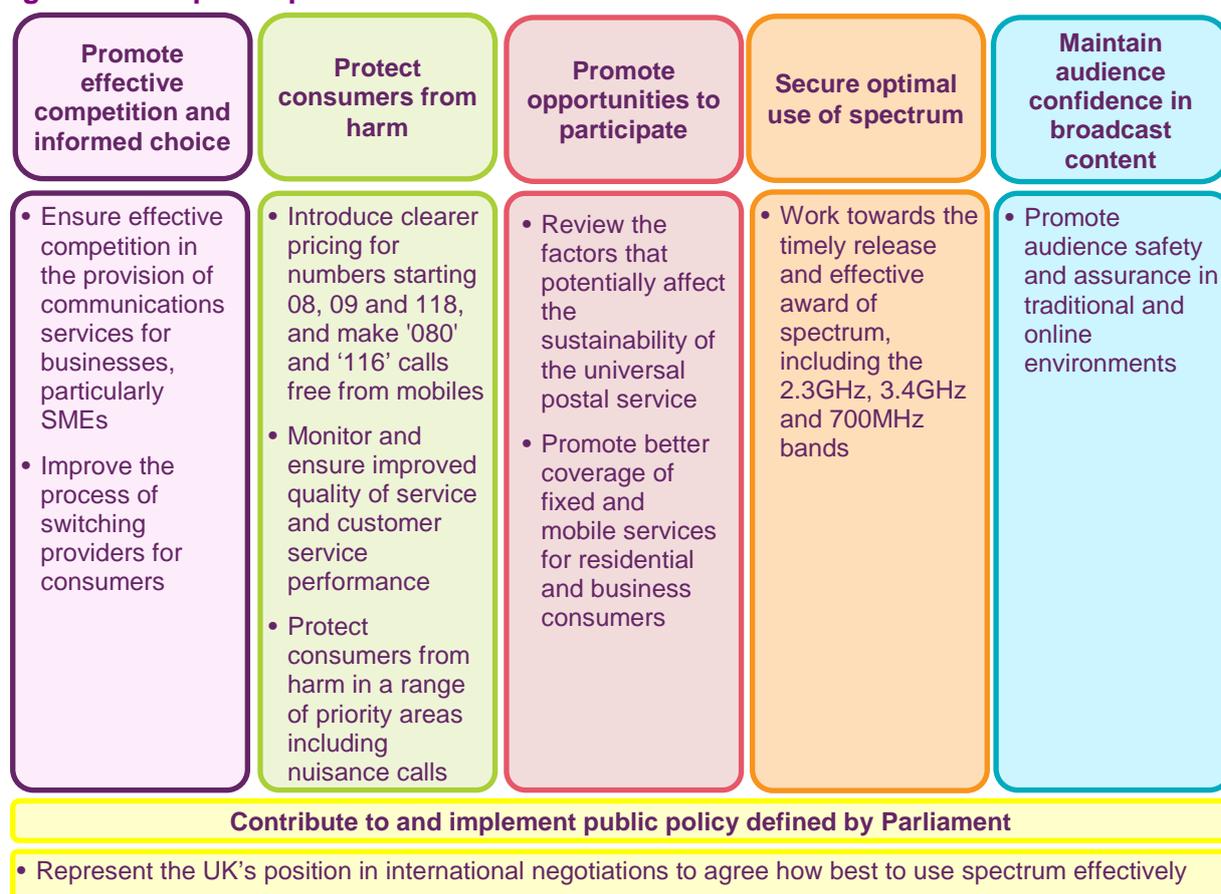
Our overall strategy remains unchanged

- 1.3 Ofcom's principal duties are to further the interests of citizens in relation to communications matters and to further the interests of consumers in relevant markets, where appropriate by promoting competition. In post, if Ofcom considers that there is any conflict, our duty to secure the provision of the universal postal service must be given priority over these duties.
- 1.4 In 2013 we defined an overarching strategy for fulfilling these duties. We stated that:
- i) "We will work for consumers and citizens by promoting effective competition, informed choice and the opportunity to participate in a wide range of communications services, including post. We will secure the optimal use of spectrum, through market mechanisms where possible and regulatory action where necessary. We will provide proportionate protection for consumers and help maintain audiences' confidence in broadcast content. We will contribute to public policy defined by Parliament, including high quality public service broadcasting and plurality of media ownership.
 - ii) "To achieve these aims, we will be consultative, transparent and proportionate. We will be informed through high quality research and information, which we will share widely. We will be mindful of the diversity of the UK and its nations. We will aim to be innovative, responsive and effective in everything we do."
- 1.5 We have not made any changes to this strategy for the next financial year. In our 2014/15 Annual Plan we set out the current work programme in light of our strategy. Our progress against this programme, and the associated outcomes, will be set out in our Annual Report when we publish it in July 2015.
- 1.6 This document describes how we intend to deliver our strategy for our next financial year, which runs from April 2015 to March 2016.

We have proposed ten priorities for 2015/16

- 1.7 As in previous years, we have organised our work programme for the coming year under our six strategic purposes, which are derived from our duties.
- 1.8 We have identified ten proposed priorities for our work next year. These priorities are specific activities which we identify as being of particular importance to the organisation, or which have a clear milestone to reach within 2015/16.

Figure 1 – Proposed priorities for Ofcom in 2015/16



- 1.9 In the table below we have given a short description of our planned work towards each priority:

<p>Ensure effective competition in the provision of communications services for businesses, particularly SMEs¹</p>	<p>We will assess how far the market meets the needs of small and medium sized businesses (SMEs) in terms of the availability of fixed networks and services, prices and quality.</p> <p>We will measure SMEs' level of engagement with the market and report on whether they are adequately protected from potential causes of harm.</p> <p>We will also complete the business connectivity market review, covering 'leased line' business products.</p>
--	---

¹ Businesses of up to 249 employees. This includes micro-businesses (i.e. of less than 10 employees) and sole traders.

<p>Improve the process of switching providers for consumers</p>	<p>We will complete our implementation of simpler switching procedures for lines where both parties use BT's copper network. These should be led by the 'gaining provider', rather than the customer's existing provider.</p>
	<p>We will also investigate other improvements to switching processes for bundled voice, broadband and subscription pay TV services, as well as mobile services.</p>
<p>Introduce clearer pricing for numbers starting 08, 09 and 118, and make '080' and '116' calls free from mobiles as well as landlines</p>	<p>We will make the 080 and 116 ranges free-to-caller for consumers calling from both fixed and mobile phones. For calls to 084, 087, 09 and 118 the call cost will be 'unbundled' so that consumers know exactly how much is paid to their phone provider and to other companies.</p>
<p>Monitor and ensure improved quality of service and customer service performance</p>	<p>We will monitor, report on and enforce against the tighter requirements we have introduced regarding the quality of service BT delivers in the initial provision and repair of fixed line services.</p>
	<p>We will also address poor customer service by securing improvements in providers' handling of customer complaints.</p>
<p>Protect consumers from harm in a range of priority areas including nuisance calls</p>	<p>We will take action against instances of nuisance calls through our joint action plan with the Information Commissioner's Office.</p>
	<p>In addition we will continue to investigate instances of mis-selling in the sector, and work with industry and government on introducing a liability cap for unauthorised use of lost and stolen mobile phones (which has been one source of unexpectedly high bills or 'bill shock').</p>
<p>Review the factors that potentially affect the sustainability of the universal postal service</p>	<p>We will conduct a broad review of the factors that could materially affect Royal Mail's ability to deliver the universal postal service in future.</p>
	<p>This review will cover developments in the parcels market, Royal Mail's position within this market and the rate of improvement to efficiency that Royal Mail should reasonably be able to achieve.</p>
<p>Promote better coverage of fixed and mobile services for residential and business consumers</p>	<p>We will develop a consistent approach to reporting on coverage and quality of experience of mobile services that reflects real consumer experiences, and publish operator-specific metrics to inform consumer choices.</p>
	<p>We will also continue to support the deployment of sufficiently fast broadband services to meet modern consumer demands. In the infrastructure report, we noted that for many consumers this is now around 10Mbit/s.</p>
	<p>We will do this by supporting the Government's 'Broadband Delivery UK' (BDUK) scheme, as well as reporting on gaps in coverage of superfast broadband for rural and urban areas as well as SMEs.</p>

Work towards the timely release and effective award of spectrum, including the 2.3GHz, 3.4GHz and 700MHz bands We are aiming to award 190MHz of spectrum in the 2.3GHz and 3.4GHz bands, and will work to prepare the 700MHz band for release for mobile spectrum in 2022 (or potentially earlier).

Promote audience safety and assurance in traditional and online environments In 2015/16 we will extend our targeted monitoring of and enforcement against TV content which does not comply with the Broadcasting Code. We will also continue to promote the safety and assurance of children online.

Represent the UK's position in international negotiations to agree how best to use spectrum effectively The World Radiocommunications Conference (WRC) is the global United Nations conference where the international treaty governing spectrum use is reviewed and revised.

The decisions of the 2015 conference will directly influence the uses of spectrum for a range of services, including mobile broadband and broadcasting. This will ultimately shape the decisions we will take on the use of spectrum, in the UK, in the coming years.

1.10 In addition to these priority work areas, we will undertake a range of other significant work that is important to delivering our strategy. This is set out in brief in [Chapter 4](#), and in further detail in [Annex 2](#).

Ofcom will aim to make progress in six key areas in particular in 2015/16

1.11 Taking our priorities and significant work areas together, Ofcom will aim to make progress in a range of key areas in 2015/16:

- *We will be working to ensure fair and effective competition, with particular focus on the needs of SMEs.* We will do this through the business connectivity market review, as well as specific work to assess whether the market is meeting the needs of SMEs. If we identify specific areas where the market is not meeting SMEs' needs, we will examine what can be done through a range of measures.
- *We will be seeking to promote the wide availability of communications services for consumers and businesses.* We will do this by working to promote better mobile coverage in collaboration with Government and industry and by reviewing the factors that could potentially affect the future sustainability of the universal postal service. We will continue to promote the wider availability of all broadband services, and provide technical advice to government initiatives, in both cities and rural areas, as well as for SMEs.
- *We will be renewing our focus on quality of service for consumers and businesses,* which remains a significant challenge in the communications sector. We will monitor Openreach's performance against its obligations with regard to installing and repairing fixed lines. We will also review BT's performance in the provision of 'Ethernet' lines in the business connectivity market, and will develop new measures to report on the consumer experience of fixed broadband.
- *We will protect and promote the interests of audiences and citizens in content services* by taking a new targeted approach to enforcement activities for TV broadcasters. We will continue to work with other groups to promote the safety of

audiences online, such as the UK Council for Child Internet Safety (UKCCIS). Ofcom will also conclude its third review of public service broadcasting next year, making recommendations to Government on options for maintaining and strengthening PSB services.

- *Our work will meet growing demand for spectrum* through the release of additional spectrum for wireless data services. This will include planning for the award of 2.3GHz and 3.4GHz spectrum by the end of 2015/16 and taking steps to make the 700Mhz band available for future mobile broadband use. We will also represent the UK's interests at the World Radiocommunications Conference.
- *We will identify and address areas of potential consumer harm.* We will do this by continuing to monitor and respond to evidence of consumer harm by launching investigations into consumer complaints and concerns or areas of potential harm that we identify. This work will include reforming charges for calls to '080', '09' and some '11' numbers. We will also work to address nuisance calls, mis-selling and unexpectedly high bills known as 'bill shock'.

Our work programme reflects the importance of national, regional and international policy considerations

- 1.12 In fulfilling our duties, we must ensure that we take account of the interests of citizens and consumers across the whole of the UK, and represent the interests of UK citizens in international policy debates.
- 1.13 We will conduct a range of work to promote the interests of consumers in the nations and regions next year. This includes promoting the availability and coverage of communications services. Our full programme of work in the nations is set out in [Chapter 6](#) below. In addition to this work, we will respond as appropriate to discussions and policy changes around devolution (see paragraph [A2.111](#)).
- 1.14 Internationally, we will continue to represent UK interests as appropriate, both in European policy debates and global discussions. Our programme of international work is set out in paragraph [A3.27](#).
- 1.15 Across the UK and its nations, we will continue to coordinate with policy makers to ensure good consumer outcomes. To achieve this we will continue to contribute to the UK Regulators Network programme of work.

Our question for consultation

- 1.16 Each year we consult on a draft version of the Annual Plan before finalising our work programme. We are seeking stakeholder views on Ofcom's proposed work for 2015/16, to be submitted by 26th February 2015.
- 1.17 Details of how to respond can be found in [Annex 6](#). Following our consultation, we will publish a final version of our Annual Plan in March 2015.

Chapter 2

The market context for this Annual Plan

Our Annual Plan is informed by market developments in our sectors

- 2.1 In this chapter we set out recent market developments and regulatory context relevant to each of the key areas where we intend to make progress next year.
- 2.2 It is important that we keep abreast of market developments to ensure that our regulation is evidence-based and effective. We carry out regular research into the markets we regulate, which we report on in annual publications such as the [*Communications Market Report*](#) and [*Consumer Experience Report*](#).

We must continue to monitor whether our markets are delivering fair and effective competition, in particular for SMEs

- 2.3 Fixed network operators and mobile network operators (MNOs) are investing in new kinds of network architecture, enabling innovative approaches to delivering communications services. For example, smaller fixed network operators are rolling out fibre-to-the-premises (FTTP)² for business and residential uses in some urban areas. In mobile, operators are increasingly using WiFi and small cells to provide mobile data coverage.
- 2.4 However, most end users rely on larger fixed access and mobile networks in order to use telecoms services. Factors such as the cost of network rollout across a wide area may therefore make it more difficult for smaller operators to make their services available on a wider basis.
- 2.5 In business telecoms, concerns have arisen in the last year relating to competition in the provision of communications services to small and medium-sized businesses (SMEs). Our research³ suggests that the market may not be delivering effective outcomes for some SME end users in some cases: while 85% of SMEs considered that their business needs were well catered for by the communications market, many had concerns about, for example, the speed and reliability of fixed broadband services.
- 2.6 In pay TV markets, both the content propositions and functionality that operators offer are widening. For example, users of Virgin Media TiVo set-top boxes now receive user recommendations, while Sky Go Extra enables the downloading of content to different devices. BT and TalkTalk have also re-launched their TV offerings with their YouView set-top boxes and EE has entered the pay TV market.
- 2.7 Consumers need to be able to change communications provider easily in order to benefit from competition in the market. However, we have found that consumers experience or anticipate difficulties when switching: in the 12 months prior to July /

² An access network consisting of optical fibre extending from an access node to the end user's premises.

³ Jigsaw, SME experience of communications services - a research report, November 2014, http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/sme/sme_research_report.pdf.

August 2014, 28%⁴ of consumers who had considered but not switched their fixed broadband provider cited 'hassle' (or at least the perception of hassle) as a reason for not switching.

Widespread availability of networks and services is of increasing importance to consumers and citizens

- 2.8 As members of an increasingly connected society, the availability of digital communications technologies is becoming more important than ever to citizens and consumers. Typically we rely on them to contact friends and family, for work and education and to access public or safety-of-life services.
- 2.9 However, some shortfalls in the availability of fixed and mobile voice and broadband services persist, particularly in rural areas. For example, while superfast broadband (offering download speeds of 30Mbit/s and above) is available to 75% of UK premises in 2014⁵ (up from 73% in 2013 and 65% in 2012),⁶ availability is lower for rural premises (22%).⁷
- 2.10 This has implications for some of the UK's nations in particular: availability to premises in Scotland (61%) and Wales (55%) is below the UK average. Broadband 'not-spots' also persist in urban areas: for example, next generation access (NGA) broadband was available to 47% of premises in the London borough of Westminster in 2014 and to 59% of premises in Tower Hamlets.
- 2.11 There is also evidence that a typical household now requires a download speed of around 10Mbit/s. Below this level, demand is likely to be constrained. Currently, we estimate that 15% of UK households cannot receive 10Mbit/s.⁸
- 2.12 With regard to mobile voice and broadband, we estimate that 84% of UK premises have 3G coverage outdoors from all four MNOs, although this figure falls to 75% of premises in Scotland, 65% in Wales and 63% in Northern Ireland. Seventy-two per cent of premises were in areas with outdoor 4G coverage from at least one operator. O2 has committed to delivering 98% indoor 4G coverage under the terms of its spectrum licence, and it is anticipated that other MNOs will match this.
- 2.13 However consumers continue to experience problems making voice calls in many areas (particularly rural areas) and when travelling. In 2014 21% of the UK's geographic area was a 'partial notspot' for 2G mobile coverage, where it was possible to get a signal from at least one but not all of the MNOs. No MNO provided a signal in 11% of the UK's geographic area. MNOs have committed to increase mobile voice coverage to 90% of the UK's geographic area by 2017, following a government process to improve voice coverage.

⁴ Ofcom, Switching tracker 2014,

http://stakeholders.ofcom.org.uk/binaries/research/statistics/Switching_Tracker_2014.pdf.

⁵ Ofcom, *Infrastructure Report 2014*,

<http://stakeholders.ofcom.org.uk/binaries/research/infrastructure/2014/infrastructure-14.pdf>.

⁶ Ofcom, *Infrastructure Report Update 2013*,

http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/infrastructure-report/IRU_2013.pdf.

⁷ Ofcom, *Infrastructure Report 2014*,

<http://stakeholders.ofcom.org.uk/binaries/research/infrastructure/2014/infrastructure-14.pdf>

⁸ Ibid.

Availability of communications services alone is not sufficient: consumers and businesses are demanding a higher quality of service

- 2.14 Even in areas where fixed and mobile networks offer widespread coverage, consumers and businesses have expressed concerns about the quality of service that they receive from communications providers. For example, in recent years issues have arisen concerning installation and repair times for fixed line services. In light of the concerns of consumers and retail communications providers about the quality of service that Openreach (BT's access services division) has provided to its wholesale customers, we have introduced remedies including new minimum standards that Openreach must meet for the installation and repair of fixed lines.⁹
- 2.15 In the last year we have also observed growing concerns about the quality of service that Openreach provides with regard to Ethernet services. We are monitoring this issue and meeting with Openreach, communications providers and the Office of the Telecoms Adjudicator (OTA2) to discuss developments.¹⁰

Audiences are consuming more diverse content from a range of sources, including online

- 2.16 In recent years the completion of the move to multichannel broadcasting and rapid increases in connected device ownership and broadband speeds have changed the way we consume audio-visual content.
- 2.17 For example, children are increasingly consuming content online as well as via traditional broadcasting. In 2014, 19%¹¹ of 12-15 year olds' 'watching' time was spent viewing short online video clips; 52% was spent watching live TV (compared to 69% among adults). At the same time, our [review of public service broadcasting](#) (due to complete in mid-2015) details how TV audiences are becoming more diverse in how they watch.
- 2.18 However our research¹² shows that, while expectations of viewer protection vary between broadcast and online content, viewers expect regulatory protection for TV-like content no matter how it is delivered to screens.
- 2.19 We license more channels than ever before, some of which are not longstanding broadcasters with strong cultures of regulatory compliance. With this comes more opportunity for innovation, but also greater risk that content may be aired which is harmful or otherwise fails to comply with broadcasting rules. Over the last few years we have dealt with some content on television that has, for example, incited crime and hatred.

⁹ Ofcom, *Fixed access market reviews: wholesale local access, wholesale fixed analogue exchange lines, ISDN2 and ISDN30*, June 2014, <http://stakeholders.ofcom.org.uk/binaries/telecoms/ga/fixed-access-market-reviews-2014/statement-june-2014/volume1.pdf>.

¹⁰ Ofcom, *Business Connectivity Market Review: Timetable and initial call for inputs*, April 2014, <http://stakeholders.ofcom.org.uk/binaries/consultations/business-connectivity-market-review/summary/Business-Connectivity-Market-Review.pdf>.

¹¹ Ofcom, *Communications Market Report 2014*, <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr14/>.

¹² Ipsos Mori / Ofcom, *Protecting audiences in a converged world*, January 2012, <http://stakeholders.ofcom.org.uk/binaries/research/tv-research/protecting/Protecting-audiences.pdf>.

The use of wireless services, such as mobile data, continues to grow

- 2.20 Demand for wireless services is growing for many uses, such as mobile data, while growing more slowly or remaining steady for others, such as the broadcasting and the programme-making and special events (PMSE) sectors.
- 2.21 Mobile data, driven by take-up of connected devices, is an area of significant growing demand. The amount of mobile data uploaded or downloaded per active connection was 0.53GB per month in 2014, up from 0.35GB in 2013.¹³ Smartphone penetration among UK adults reached 61% in 2014.¹⁴ Industry analysts forecast demand for mobile data to grow further over time, with some estimates¹⁵ suggesting that demand could be over 45 times greater in 2030 than in 2014.
- 2.22 Industry can meet predicted demand for mobile data in different ways: for example, by deploying small cells or upgrading to more efficient mobile technologies. However we consider that it will also be beneficial to release additional spectrum in order to help meet predicted demand.
- 2.23 At the same time, demand for other wireless services remains, and may grow. Digital terrestrial television (DTT) remains popular with consumers and was the main source of TV services for 41% of TV households in 2013.¹⁶ Demand for capacity from broadcast TV may grow with the launch of more HD services. However there are a range of non-spectrum, technical means to help meet such demand, for example more efficient transmission and encoding standards.

Our sectors can continue to generate risks of consumer harm

- 2.24 The volume of 'nuisance' calls is rising, driven by the falling costs of generating calls via IP-based telephony. IP-based telephony also allows nuisance callers to alter their caller line identification (CLI), not only making nuisance calls more difficult to control but enabling a range of serious frauds.
- 2.25 We are working with international stakeholders on technical approaches to tackling these issues, alongside our [joint action plan](#) with the Information Commissioners Office (ICO) to address nuisance calls.
- 2.26 Another area of harm we have identified is instances where consumers are unsure of the costs of calling different types of numbers. For example '0800' numbers have, in the past, been free to dial from landline phones but not free from mobiles, which could result in an unexpectedly high bill. Our research¹⁷ has found that between 40% and 70% of consumers were 'not confident' that they understood the cost of calls (depending on the number range).

¹³ Ofcom, *Infrastructure Report 2014*,

<http://stakeholders.ofcom.org.uk/binaries/research/infrastructure/2014/infrastructure-14.pdf>.

¹⁴ Ofcom, *Communications Market Report 2014*, <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr14/>.

¹⁵ Ofcom, *Consultation on future use of the 700MHz band: Cost-benefit analysis of changing its use to mobile services*, May 2014. Note that this figure is calculated differently to the *Infrastructure Report* estimates. <http://stakeholders.ofcom.org.uk/binaries/consultations/700MHz/summary/main.pdf>

¹⁶ Ofcom, *Communications Market Report 2014*.

¹⁷ Ofcom, *Simplifying non-geographic numbers*, Annex 8, April 2012,

<http://stakeholders.ofcom.org.uk/binaries/consultations/simplifying-non-geographic-no/annexes/Annexes8-15.pdf>.

Chapter 3

Our draft strategic priorities for 2015/16

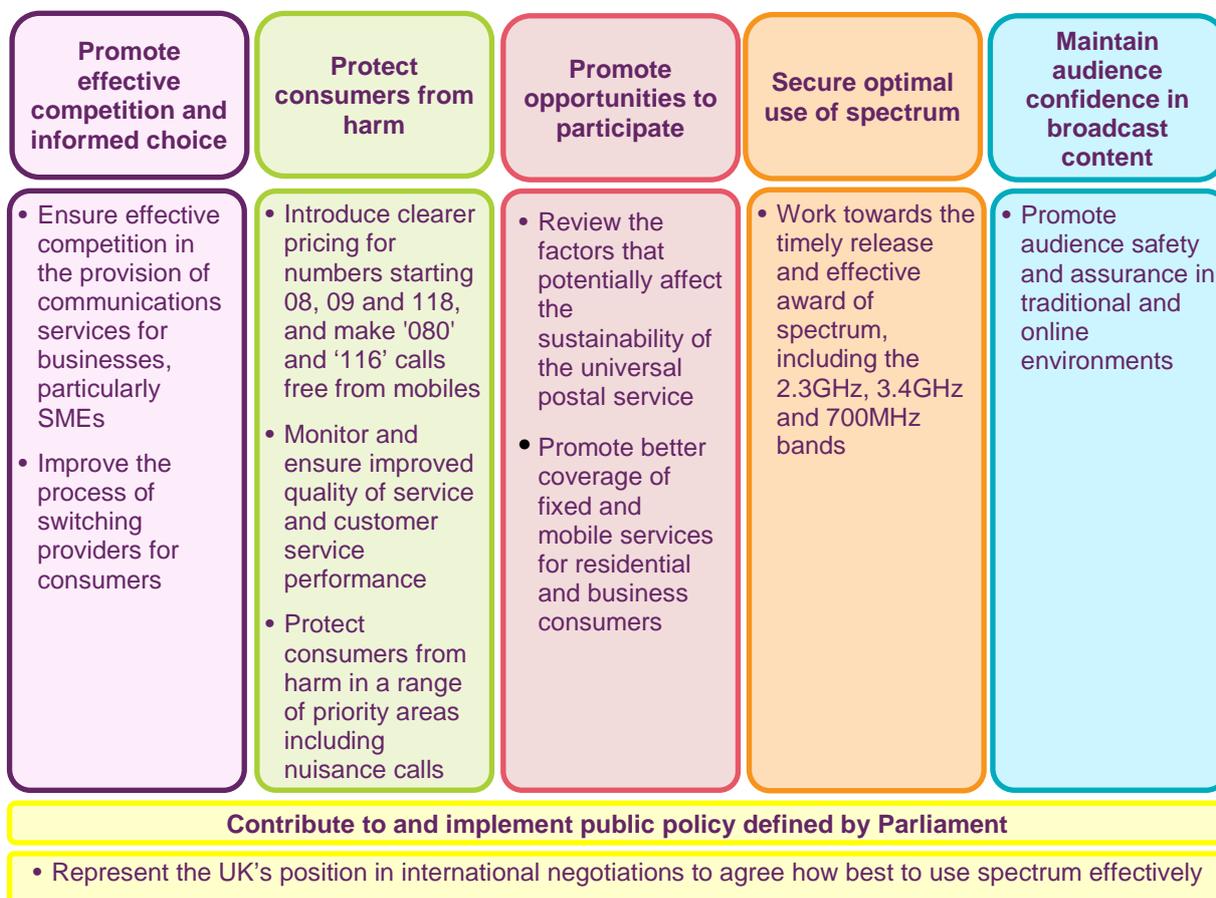
This year we have identified ten potential priorities for 2015/16

- 3.1 Each year, the Annual Plan sets out the main priorities for the next financial year. This chapter gives a brief outline of each of the priorities we have identified. These are each set out in greater detail in our work programme in [Annex 1](#).
- 3.2 We have identified ten potential priorities, alongside the wider range of significant work we conduct in order to fulfil our duties, which is described in [Chapter 4](#).

As in previous years, we present these priorities against the ‘strategic purposes’ that describe our core duties

- 3.3 In [2013](#) we set out Ofcom’s six strategic purposes, a framework capturing the range of our statutory duties. Subsequently we have organised our programme of work underneath this framework.
- 3.4 We consider that our strategic purposes remain relevant to our work, and we have not made any changes to their wording in this year's Draft Annual Plan. Below we have listed our priorities underneath our strategic purposes.

Figure 2 – Proposed priorities for Ofcom in 2015/16



Summary of the work we will undertake to deliver each of our priorities for 2015/16

3.5 A full programme of work is set out in [Annex 1](#) of this document, as well as a table of the interim and long term outcomes towards which we are working. In this chapter we have provided a brief summary of our work related to our ten priorities.

<p>Ensure effective competition in the provision of communications services for businesses, particularly SMEs</p>	<p>We will assess how far the market meets the needs of SMEs in terms of the availability of fixed networks and services, prices and quality. We will assess SMEs' level of engagement with the market and whether they are adequately protected from potential causes of harm.</p> <p>We will also complete the business connectivity market review, covering 'leased line' business products.</p>
<p>Improve the process of switching providers for consumers</p>	<p>We will complete our implementation of simpler switching procedures for lines where both parties use BT's copper network. These should be led by the 'gaining provider', rather than the customer's existing provider.</p> <p>We will also investigate other improvements to switching processes for bundled voice, broadband and subscription pay TV services, as well as mobile services.</p>
<p>Introduce clearer pricing for numbers starting 08, 09 and 118, and make '080' and '116' calls free from mobiles as well as landlines</p>	<p>We will make the 080 and 116 ranges free-to-caller for consumers calling from both fixed and mobile phones. For calls to 084, 087, 09 and 118 the call cost will be 'unbundled' so that consumers know exactly how much is paid to their phone provider and to other companies.</p>
<p>Monitor and ensure improved quality of service and customer service performance</p>	<p>We will monitor, report on and enforce against the tighter requirements we have introduced regarding the quality of service BT delivers in the initial provision and repair of fixed line services.</p> <p>We will also address poor customer service by securing improvements in providers' handling of customer complaints.</p>
<p>Protect consumers from harm in a range of priority areas including nuisance calls</p>	<p>We will take action against instances of nuisance calls through our joint action plan with the Information Commissioner's Office.</p> <p>In addition we will continue to investigate instances of mis-selling in the sector and work with industry and government on introducing a liability cap for unauthorised use of lost and stolen mobile phones (which has been one source of unexpectedly high bills or 'bill shock').</p>
<p>Review the factors that potentially affect the sustainability of the universal postal service</p>	<p>We will conduct a broad review of the factors that could materially affect Royal Mail's ability to deliver the universal postal service in future.</p> <p>This review will cover developments in the parcels market, Royal Mail's position within this market and the rate of improvement to efficiency that Royal Mail should reasonably be able to achieve.</p>

<p>Promote better coverage of fixed and mobile services for residential and business consumers</p>	<p>We will develop a consistent approach to reporting on coverage and quality of experience of mobile services that reflects real consumer experiences, and publish operator-specific metrics to inform consumer choices.</p>
	<p>We will also continue to support the deployment of sufficiently fast broadband services to meet modern consumer demands. In the infrastructure report, we noted that for many consumers this is now around 10Mbps.</p>
	<p>We will do this by supporting the Government's 'Broadband Delivery UK' (BDUK) scheme, as well as reporting on gaps in coverage of superfast broadband for rural and urban areas as well as SMEs.</p>
<p>Work towards the timely release and effective award of spectrum, including the 2.3GHz, 3.4GHz and 700MHz bands</p>	<p>We are aiming to award 190MHz of spectrum in the 2.3GHz and 3.4GHz bands, and will work to prepare the 700MHz band for release for mobile spectrum in 2022 (or potentially earlier).</p>
<p>Promote audience safety and assurance in traditional and online environments</p>	<p>In 2015/16 we will extend our targeted monitoring of and enforcement against TV content which does not comply with the Broadcasting Code . We will also continue to promote the safety and assurance of children online.</p>
<p>Represent the UK's position in international negotiations on spectrum use</p>	<p>The World Radiocommunications Conference (WRC) is the global United Nations conference where the international treaty governing spectrum use is reviewed and revised.</p>
	<p>The decisions of the 2015 conference will directly influence the uses of spectrum for a range of services, including mobile broadband and broadcasting. This will ultimately shape the decisions we will take on the use of spectrum, in the UK, in the coming years.</p>
<p>3.6</p>	<p>We will measure the success of our delivery against these priorities for 2015/16 against a set of interim and final outcomes, which we set out at the end of Annex 1. In addition to these ten priorities we set out our full programme of work in Chapter 4.</p>

How we set our priorities

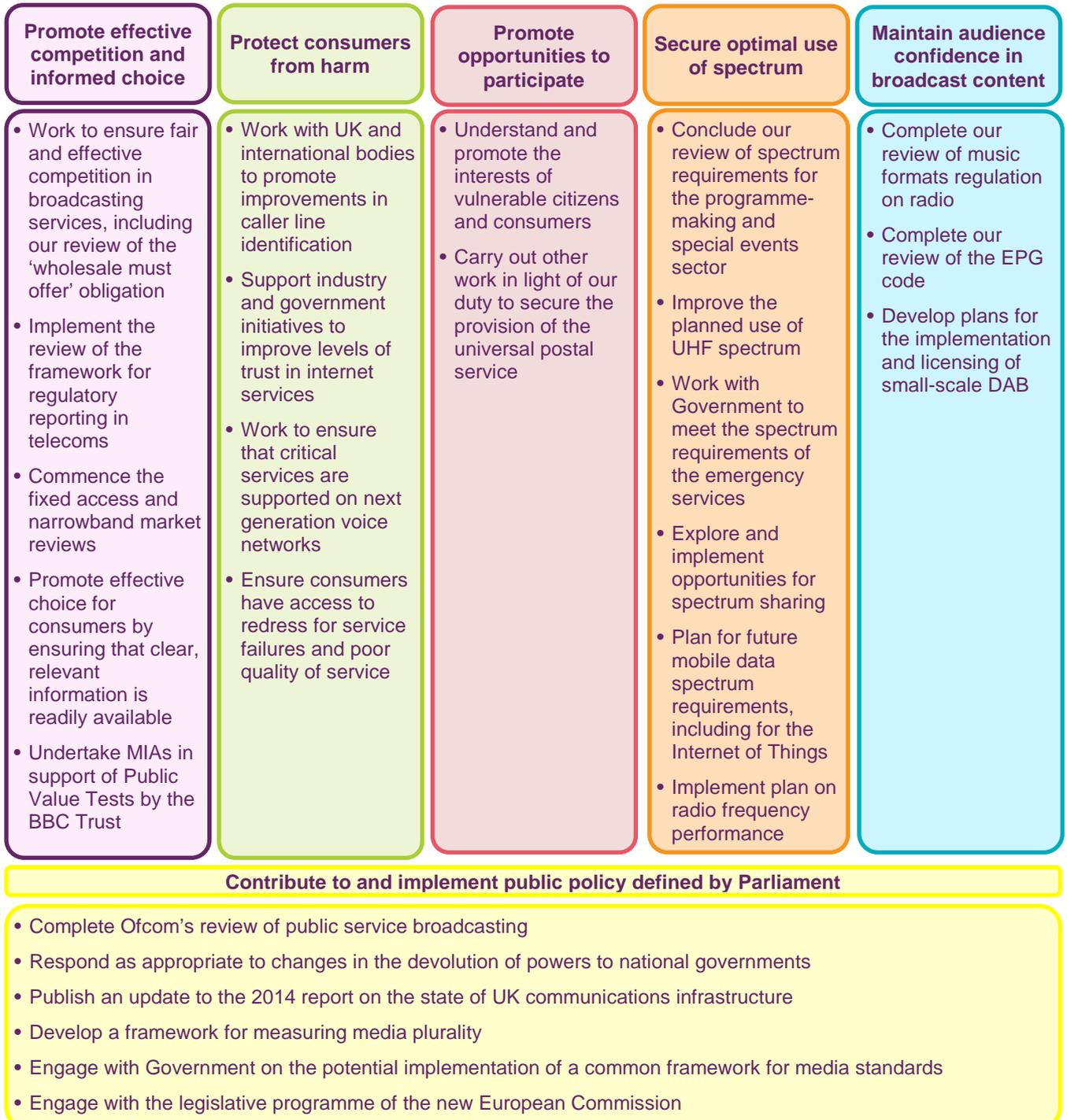
- 3.7 In responding to our invitation to comment, published in September 2014, several respondents asked for greater insight into the way we determine our priorities. Below we have set out the factors that we consider when making this decision:
- 3.7.1 **Ownership of the issue / our existing remit:** In some areas Ofcom has a clear remit or duty to carry out work; this is set out in legislation.
 - 3.7.2 **Scale and clarity of deliverables:** Some projects have a particularly significant and clearly-defined deliverable, with associated outcomes.
 - 3.7.3 **Importance of the issue:** The importance that consumers and other stakeholders place on certain issues is a factor in our prioritisation of work.
 - 3.7.4 **Resource commitment:** If a project places a large resource burden on the organisation, this can play a role in prioritising the work.

Chapter 4

Our other significant work for next year

4.1 In addition to our ten priorities, we have set out the full range of further work we will be undertaking in the coming year below.

Figure 3 – Other proposed significant work for Ofcom in 2015/16'



Programmatic work

4.2 We undertake a number of essential services for consumers and other stakeholders, which continue from year to year. This includes our work to:

- enforce competition e.g. through resolving disputes, investigating complaints under the Competition Act and imposing penalties where appropriate;
- ensure availability of geographic numbers and conduct further work as required on non-geographic numbers;
- monitor network security and resilience;
- carry out and publish market and consumer research;
- plan spectrum assignments and grant licences;
- advise and assist in cases of interference and conduct enforcement action where appropriate;
- assign broadcast licences, including those for local TV stations;
- continue to contribute to the UK Regulators Network programme of work; and
- engage with international stakeholders and participate actively in European regulatory networks.

Chapter 5

Ofcom's competition powers

- 5.1 In addition to our regulatory responsibilities, we have powers in relation to communications matters to:
- enforce the prohibitions in the Competition Act 1998 and the corresponding provisions under the EU Treaty; and
 - make market investigation references under the Enterprise Act 2002 to the Competition and Markets Authority (CMA).
- 5.2 The term 'communications matters' cover various aspects of electronic communications, as well as broadcasting and the provision of postal services. We exercise these powers concurrently with the CMA.
- 5.3 Ofcom considers whether it is appropriate to exercise Competition Act or sectoral powers in any given case, subject to the specific requirements of the legislation.
- 5.4 The cases we are currently considering under our competition law powers are:
- a complaint from British Telecommunications plc against Sky plc alleging abuse of a dominant position regarding the wholesale supply of Sky Sports 1 and 2;
 - a complaint from Whistl UK Limited in relation to the prices, terms and conditions on which Royal Mail Group Limited is offering to provide access to certain letter delivery services; and
 - a complaint from Virgin Media relating to the auction mechanism by which the FA Premier League sells television rights to the English Premier League.
- 5.5 Further information can be found on our website, [here](#).

Chapter 6

Our work in the nations

Continuing to engage with the specific needs of all UK nations and regions

- 6.1 In fulfilling our duties, we must ensure that we take account of the interests of citizens and consumers across the whole of the UK. As such, we work to promote the interests of each of the four nations in the UK, while having regard for the interests of their various geographic communities and ethnic groups.
- 6.2 In the coming year we will promote the interests of all of the UK's nations in the priority work areas set out in [Chapter 3](#), specifically by:
- continuing to have regard to the needs of rural users in carrying out our functions in relation to postal services and understanding the impact of changes to collection times on rural communities;
 - measuring and reporting on the availability of broadband services in each of the nations;
 - promoting improved mobile voice and broadband coverage in the nations, including through our research into mobile voice and mobile broadband coverage; and
 - monitoring and ensuring improved quality of service performance in fixed-line telecoms. In particular, this includes monitoring the quality of service that Openreach provides in the nations.
- 6.3 We will also promote the interests of the nations within our other significant work areas, specifically by:
- renewing efforts to promote digital inclusion by using and disseminating our research into digital participation, skills and attitudes across the UK's nations and between urban and rural areas. We will continue to track geographic differences in broadband speeds, and monitor levels of media literacy by nation. We will also continue to track the availability of networks and services to SMEs;
 - monitoring efforts to improve the signposting and positioning of TV channels on the EPG, with particular reference to the needs of audiences in the nations;
 - publishing the final conclusions of our review of public service broadcasting, as set out in more detail below, which is assessing the performance of the PSB system across the UK as a whole and in each nation individually;
 - facilitating annual formal senior-level engagement between Channel 4 and stakeholders in each nation to report on progress towards Channel 4's new production commitments;
 - reporting on conditions in each of the UK's nations in the *Infrastructure Report Update 2015*, including the results of our research into broadband availability and by updating the economic geography research that we conducted in 2013;

- engaging with Government on the potential implementation of a common framework for media standards. This includes keeping under review changes in consumption of regulated and unregulated content and noting any specific regulatory consequences for the nations; and
- developing a measurement framework for media plurality that is capable of illustrating the situation in each of the nations, as well as in the UK as a whole.

6.4 We will also conduct some work which is specific to particular nations within the UK. In Northern Ireland, we will:

- continue to provide regulatory and technical advice to the Northern Ireland Executive, the Assembly and local government, particularly in support of improved broadband rollout and mobile coverage;
- liaise with ComReg and the Broadcasting Authority of Ireland to ensure a co-ordinated approach to cross-border spectrum management and broadcasting matters; and
- run industry fora in postal services, broadcasting and telecoms to allow local stakeholders and service providers to raise consumer and competition issues.

6.5 In Scotland, we will:

- monitor the impact of the amended ITV Borders licence on coverage of current affairs for Scottish viewers; and
- work with the Scottish government with the aim of informing ongoing discussions about broadcasting and connectivity issues.

6.6 In Wales, we will:

- work with the Welsh Language Commissioner and her officials in realising a proposed set of Welsh Language standards to replace the existing Welsh Language scheme;
- provide regulatory advice to the Welsh Government as appropriate, as well as to local government in Wales; and
- in addition to the work described above, we will continue to ensure the services Ofcom provides for stakeholders and consumers meet the needs of citizens, consumers and businesses in the nations.

6.7 In the coming year we will also respond as appropriate to changes in devolution of powers to national governments. The background to this work and our approach is described in further detail in paragraph [A2.111](#).

Chapter 7

Potential work areas that may arise in future years

- 7.1 This consultation sets out Ofcom's planned work programme for 2015/16 as we currently anticipate it. However the communications sector can change and develop rapidly, and this may create circumstances that require us to undertake other work.
- 7.2 This section identifies a number of developments that could have implications for our work in future years. The inclusion of these issues here does not imply that Ofcom will undertake work in these areas as a priority in future Annual Plans. Instead, these are issues which could further increase in significance for our regulation in future, subject to market developments. This is not a closed or exhaustive list, as new priorities and issues will emerge.
- 7.3 Some might generate work in 2015/16 as a result of unanticipated external events or internal capacity becoming available. Until then, Ofcom will continue to monitor the market to ensure we are prepared for the future.

Ultrafast broadband

- 7.4 As highlighted in the *Infrastructure Report 2014* there is increasing interest within industry and among policymakers in the next phases of broadband services, including ultrafast broadband, which has the potential to deliver broadband speeds of 1Gbit/s or more.
- 7.5 Emerging ultrafast broadband technologies include advances in the telephony network (including G.fast), cable TV network (such as improvements in the DOCSIS standard) and increased capacity for fibre deployments. We will work to further understand the implications of these technologies for our sectors and our work in the coming year.

Understanding the role of intermediary liability in future policy making

- 7.6 In future, internet intermediaries such as internet service providers (ISPs) may play more or less formal roles in securing policy goals as diverse as copyright protection and the protection of minors. As debate on this issue continues, we will ensure that we have a good understanding of the relevant UK and European legislation, the potential for future regulatory obligations and the development of relevant voluntary initiatives by such intermediaries.

Developments in TV platforms

- 7.7 In recent years there have been a number of market developments in the provision of TV services. Established TV platforms have increased their content propositions and functional offerings: for example, the introduction of the Virgin Media TiVo set-top box and its 'recommendations', and Sky Go Extra, which enables the downloading of content to different devices. BT and TalkTalk have re-launched their TV offerings with their YouView set-top boxes, and EE has recently entered the market with its own TV service.

- 7.8 Alongside these developments, subscription video-on-demand providers have grown in popularity, such as Netflix and Amazon Prime Instant Video. Twenty-nine per cent of those aged 16-34 now use a subscription video service,¹⁸ although the figure is much lower for older age groups.
- 7.9 In the coming year we will continue to stay abreast of such market developments, and work to understand their implications for our sector.

The increasing use of consumer data and information

- 7.10 As a result of the opportunities offered by the internet and IP-based services, companies within the communications sector value chain may increasingly collect and use information about their customers.
- 7.11 This raises a number of potential issues, including competition, consumer protection and privacy concerns. While such issues are not exclusively for Ofcom, this is a sensitive emerging area where we will need to work with other regulators as appropriate, to safeguard the interests of consumers and citizens.

New competition bottlenecks and gateways

- 7.12 As the communications sectors evolve, the range and number of players, networks and services that could emerge as competition gateways or bottlenecks may change. For example, some of the market developments discussed in this section may have the potential to alter the competitive dynamics of the market over time.
- 7.13 With our focus on supporting effective competition and informed choice, we will continue to monitor the risk of new competition concerns emerging as the communications value chain evolves. We may also have to identify potential regulatory remedies to such competition and public policy concerns.

¹⁸ CMR, <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr14/> p. 259.

Chapter 8

Delivering our duties and value for money

8.1 In this chapter, we have set out our budget for the coming year, and the measures we have taken to reduce expenditure while continuing to deliver both our duties and value for money for our stakeholders.

We have completed our four-year Treasury Spending Review

8.2 This year was the final year of Ofcom's four-year Treasury Spending Review. We have responded to the challenges facing public expenditure by reviewing how we deliver effective, targeted regulation in the interests of citizens and consumers, while maintaining value for money for our stakeholders.

8.3 In 2010 we commenced an internal Expenditure Review Project during which we developed a set of measures to deliver a 28.2% real term reduction in costs over four years, while continuing to deliver against all our commitments.

8.4 The budget for this year was set at £117.0m, reducing the overall cost of regulation by 33.4%¹⁹ in real terms in comparison with 2010/11. This exceeds our original commitment to make total savings of 28.2% by 2014/15. We achieved this by carrying out a thorough review of our operations, including:

- reducing our headcount and freezing pay;
- selling and sub-letting property space that was surplus to our future needs, successfully negotiating the rental review on our London office, with no increase;
- reducing expenses and implementing tighter travel and subsistence policies;
- becoming more effective in our procurement and supplier management;
- reducing the costs associated with our international engagements;
- streamlining our back-office functions; and
- reducing the number of temporary and contract employees we use.

Our budget for 2015/16

8.5 Our 2015/16 Annual Plan builds on the efficiencies we have already made through our internal Expenditure Review Project. We have identified some further efficiencies that we plan to make and we have set a budget of £114.3m to reflect this: a 4.5%²⁰ real-terms reduction in comparison with the 2014/15 budget.

8.6 We will publish specific sector fees and charges for our stakeholders on 25th March 2015 in our Tariff Tables, alongside the Annual Plan statement. Until our detailed programme of work has been fully developed, we are not able to provide a precise view of what those charges will be by sector or by stakeholder. In line with previous

¹⁹ After accounting for savings achieved following the transfer of responsibility for the regulation of postal services from Postcomm in October 2011.

²⁰ Based on October 2014 RPI of 2.3%.

years, this detailed planning work will be undertaken during the months of January and February and any changes to our programme of work will be reflected in the tariffs we set. However, there will not be any changes to the methodology used to calculate these charges.

How we manage our resources

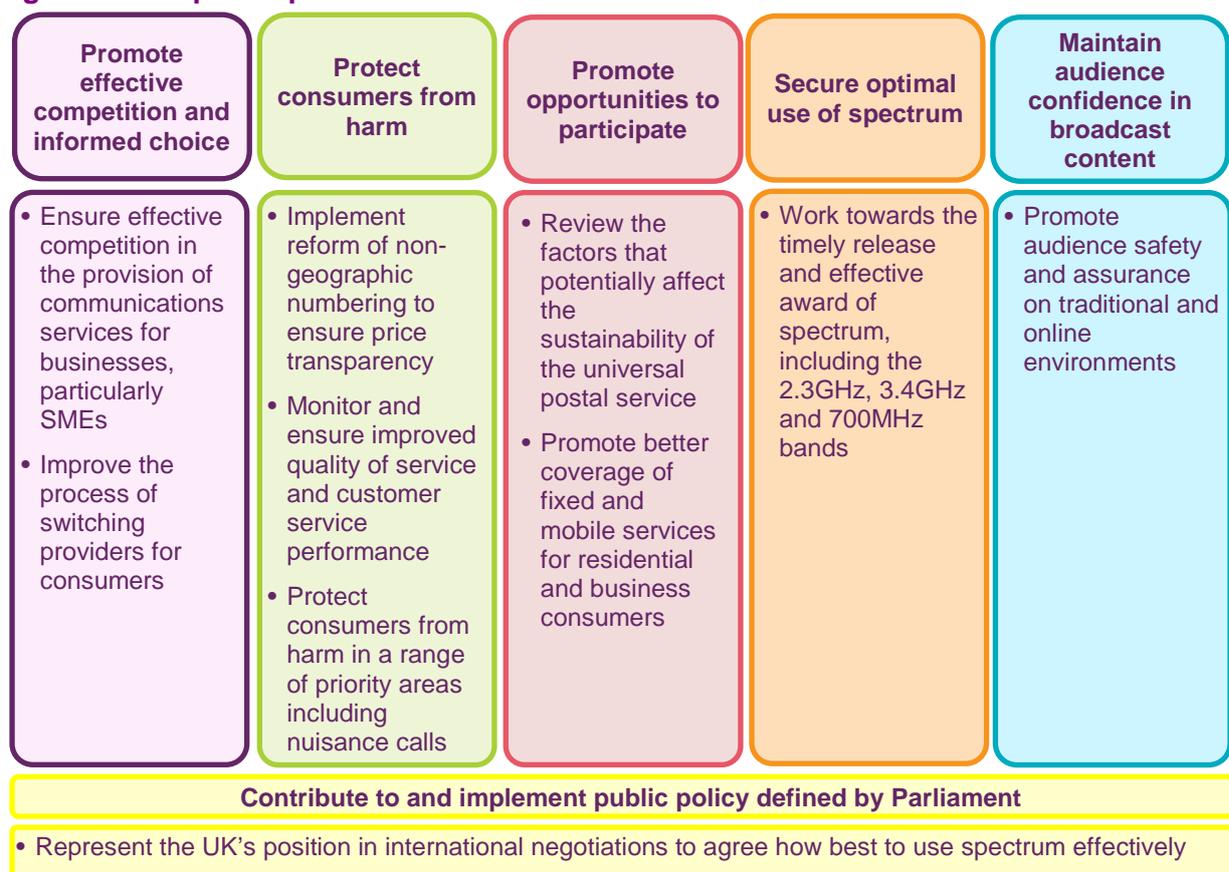
- 8.7 In 2015/16 we will continue to make the best use of our available resources and focus on ensuring value for money for stakeholders and the taxpayer. In particular we will:
- bring programme making and special events (PMSE) licensing in-house. When this process is complete, we will progress with our review of other licensing arrangements;
 - transform our ICT services, innovating, developing strategic ICT roadmaps and utilising cloud-based services where appropriate. We have also made good progress in competitively tendering for our core ICT service provision and expect to see the benefits of this activity flow through from 2016 onwards;
 - undertake reviews of how we source other key services and functions, including facilities management and employee payroll and benefit service provision, to deliver further efficiencies;
 - levy fees for our attendance at events where stakeholders request a greater level of service from our Spectrum Engineering and Enforcement teams than is required by statute. We have already provided chargeable services for a number of important events including Formula One and Wimbledon. We also undertake and charge for licensing consultancy when our expertise is requested in advance of stakeholders making licence applications;
 - restructure our Spectrum Engineering and Enforcement team to make further improvements in meeting the needs of spectrum users. This will result in further reductions to headcount in this area and rationalisation of our regional property portfolio;
 - identify other opportunities to generate additional funds. For example, we have already raised £1.5m as part of a two-year pilot, ending in April 2015, to safeguard the supply of geographic phone numbers; and
 - continue to review our property requirements. We have already agreed co-location arrangements with the CMA in our Belfast and Cardiff offices, and will continue the work to review and where possible reduce our footprint at other sites.
- 8.8 Ofcom will continue to engage with other regulatory bodies to leverage our skills and competencies and to share best practice, make the best use of our resources and operate as efficiently as possible. In March 2014 the UK Regulators Network (UKRN) was launched to encourage greater co-operation and co-ordination between regulators, share best practice and drive operational efficiency. Ofcom's work to support UKRN is described in more detail in paragraph [A3.31](#).

Annex 1

Detailed work programme for our priority work areas

A1.1 This Annex provides further detail on the work we have planned in our priority areas. We set out our proposed priorities for 2015/16 below as Figure 4.

Figure 4 – Proposed priorities for Ofcom in 2015/16



Strategic purpose 1: promote effective competition and informed choice

A1.2 Consumers benefit from markets which are more competitive, as competition fosters innovation and creates incentives for efficient investment. Some communications markets tend towards conditions which are not highly competitive. This is due to a number of economic factors, such as network effects and significant economies of scale.

A1.3 Ofcom conducts market reviews every three years under the European telecoms framework. There are also legally-binding undertakings that were agreed between Ofcom and BT in 2005. These resulted in the 'functional separation' of BT and the creation of Openreach to provide access for competitors to the telecoms network. This combination of regulation has resulted in strong competition in the supply of broadband and telephone services, which has benefited consumers.

- A1.4 Next year is the tenth anniversary of the undertakings with BT. We anticipate this will provide a sensible opportunity to take stock of the undertaking's effectiveness in light of general market developments.
- A1.5 We anticipate a continuing role for *ex ante* regulation in the markets we regulate, combined with measures to ensure that consumers have access to the information they need to make an informed choice between providers.
- A1.6 We also continue to make interventions to enforce *ex ante* regulations where appropriate. This includes our responses to consumer or stakeholder complaints, own-initiative investigations, and work to resolve competition disputes. In addition Ofcom has concurrent duties under the Competition Act 1998 with the Competition and Markets Authority (CMA), which we address separately to our main programme of work in [Chapter 5](#).

Promote effective competition and informed choice

- Ensure effective competition in the provision of communications services for businesses, particularly SMEs
- Improve the process of switching providers for consumers

Ensure effective competition in the provision of communications services for businesses, particularly SMEs

Enabling small businesses to get the best out of communications services

- A1.7 Small to medium-sized enterprises (SMEs), which are businesses with 1-249 employees, constitute a significant number of communications users across the UK. They have a range of communications needs and may use either business or residential services to meet those needs.
- A1.8 In September 2014, Ofcom outlined its [programme](#) of work designed to enable SMEs to get the best out of communications services in the UK. During 2015/16 we will continue this work in order to ensure good outcomes for SMEs in the provision of communications services and to identify policy options that could deliver an improved experience for them. We will publish an initial document on this work in Q1 2015/16.²¹
- A1.9 Our work will include an assessment of how far the current market outcomes meet the needs of SMEs in terms of the availability of fixed networks and communications services, price and quality. It will also assess whether SMEs are able to engage effectively with the market, for example when comparing prices and services or changing provider.
- A1.10 We will consider whether adequate measures are in place to protect SMEs from practices which may result in consumer harm, such as mis-selling.

Business connectivity market review (BCMR)

- A1.11 In spring 2014 we began a review of the markets for business connectivity services (also known as leased lines). The outcome of this market review will play a critical

²¹ Note that throughout this document we refer to 'quarters' of Ofcom's financial year unless we make clear otherwise. Our financial year will run from April 2015 to March 2016.

role in promoting competition and investment in the provision of business connectivity services in the UK.

- A1.12 We published a call for inputs in April 2014 and two interim consultations: the first in October 2014 covering our data analysis and the second in November 2014 in relation to 'passive remedies'. These are remedies which could require a provider with significant market power to provide access to their physical infrastructure of ducts and fibres to alternative communications providers.
- A1.13 We currently plan to publish the main BCMR consultation in spring 2015, along with any further consultation necessary regarding remedies, and expect to conclude our review with a statement in spring 2016.
- A1.14 We will review Openreach's quality of service, particularly in relation to the provision of Ethernet services, and whether operators found to have market power should be required to provide passive access products.

Improve the process of switching providers for consumers

- A1.15 In order to take advantage of competition in the communications sector, it is vital for consumers to be able to exercise choice by switching providers easily. It remains important that we make further progress in ensuring the effectiveness of switching procedures for consumers.
- A1.16 In 2015 we will complete our work on implementing a single gaining-provider-led (GPL) switching process for voice and broadband services on the Openreach copper-based network. We will also decide whether to mandate harmonisation of processes on KCOM's copper network to a GPL switching process.
- A1.17 We will also continue to investigate the potential for further improvements to switching processes for bundled voice, broadband and subscription Pay TV services, as well as mobile voice and data services. We will publish the findings of this work in Q1 2015/16. We will consult on changes if we conclude that consumers could benefit from further reforms in switching for other communications services.
- A1.18 We are also exploring non-process barriers to switching, with the aim of making it easier for people to engage and choose their provider.

Strategic purpose 2: protect consumers from harm

- A1.19 One of our core responsibilities is to protect consumers from harm. Due to the rapid changes that can happen in the sectors we regulate, we remain vigilant with regard to new forms of harm that may emerge. We also continue to respond to other forms of harm where they persist.

Protect consumers from harm

- Implement reform of non-geographic numbering to ensure price transparency
- Monitor and ensure improved quality of service and customer service performance
- Protect consumers from harm in a range of priority areas, including nuisance calls

Implement reform of non-geographic numbering to ensure price transparency

- A1.20 'Non-geographic' phone numbers (which include numbers which begin with 08, 09 and 11) are used by businesses and other organisations to provide consumers with access to their services. They are also used for premium-rate services, such as information lines and voting lines for interactive programming. They differ from numbers starting with 01 and 02 as they do not relate to a specific geographic location in the UK.
- A1.21 We are concerned that consumers can be confused by the meaning and cost of calls to these numbers. In December 2013 we decided to:
- make the 080 and 116 ranges free-to-call for consumers calling from both fixed and mobile phones. This will offer direct benefits to callers as well as restoring trust in these ranges; and
 - introduce a new 'unbundled tariff' structure for calls made by consumers to 084, 087, 09 and 118 numbers. This should ensure that consumers know how much of their money is paid to their phone company and what is passed to the organisation being called.
- A1.22 We plan to implement these changes in July 2015. Until then, we are engaging with stakeholders to ensure a smooth launch of the new rules.

Monitor and ensure improved quality of service and customer service performance

- A1.23 In the 2014 [fixed access market review](#) (FAMR) we set new minimum standards on BT for provisioning and repair of copper access lines. We also introduced a requirement for BT to report a range of key performance indicators (KPIs) related to its performance, publishing some of those KPIs on its public website.
- A1.24 During 2015/16 we will continue to monitor BT's performance against these standards, as well as its wider performance. We will also conduct a detailed review of its annual compliance statement. Our aim is to ensure that BT is on track to meet these minimum service standards over the next three years.
- A1.25 We will also be reviewing the service quality that Openreach offers in relation to Ethernet lines as part of our business connectivity market review (see paragraph [A1.11](#)).
- A1.26 In addition to this work on quality of service, we will work to address poor customer service by ensuring compliance with complaints handling rules, and securing improvements in providers' performance in handling complaints.

Protect consumers from harm in a range of other priority areas including nuisance calls

- A1.27 We have roles and duties that require us to investigate allegations of conduct that harms consumer interests, such as breaches of consumer protection rules.
- A1.28 Our overall approach to providing consumer protection is to focus on those issues that can generate significant consumer harm and which it is possible for us to address. Some of this work is reactive, driven by issues that emerge or change through complaints received during the year. Elsewhere we undertake own-initiative work, for example our ongoing work on reducing unexpectedly high bills, tackling silent calls and securing fair contract terms.
- A1.29 In 2015/16 our work will include an ongoing programme of work addressing nuisance calls, as set out in our [joint action plan](#) with the Information Commissioner's Office. We are also undertaking technical work with international organisations to improve the identification of callers to improve the tracking of nuisance calls. This work is set out in paragraph [A2.29](#) below.
- A1.30 Next year we will also be conducting a programme of work to tackle mis-selling and 'slamming' (erroneous landline transfers), including through investigations as appropriate and working to reduce slamming.
- A1.31 We will also work with industry and government on introducing a liability cap for unauthorised use of lost and stolen mobile phones in order to reduce unexpectedly high bills (or 'bill shock') from these sources.

Strategic purpose 3: promote opportunities to participate

- A1.32 Access to communications services is increasingly important for consumers and citizens in supporting their active engagement in society. Our work in relation to the availability of communications services is crucial in this context. A number of our priorities relate to promoting opportunities to participate by ensuring wide availability and seeking to reduce barriers to consumers' adoption of communications services.

Promote opportunities to participate

- Review the factors that potentially affect the sustainability of the universal postal service
- Promote better coverage of fixed and mobile services for residential and business consumers

Review the factors that potentially affect the sustainability of the universal postal service

- A1.33 The universal service obligation requires Royal Mail to, among other things, collect and deliver letters six days a week at an affordable and geographically uniform price to every address in the UK. We have a duty in relation to post to carry out our functions in a manner which will secure the provision of a universal postal service.
- A1.34 We must have regard to the need for the universal service to be financially sustainable and for it to become efficient before the end of a reasonable period and remain efficient thereafter. Work relating to the postal universal service is particularly important to our work in the interests of the UK's nations and citizens and consumers in rural areas.

- A1.35 During 2014/15, we had planned, in addition to our ongoing monitoring regime, to take forward work on: metrics and methodologies for assessing the efficiency of the universal postal service; reviewing our approach to margin squeeze on access services; completing our reviews of postal common operational procedures and mail integrity codes; and undertaking a review of complaint-handling and redress schemes for consumers.
- A1.36 However, in November 2013 and January 2014 Royal Mail proposed new prices for access services, which led to complaints from some postal operators. In April 2014 we opened a Competition Act investigation into the proposed changes and also launched a policy review of the regulation and guidance related to the setting of access prices.
- A1.37 In addition, in June Royal Mail made a regulatory submission to Ofcom arguing that end-to-end competition presented a threat to the universal postal service. It proposed that Ofcom should bring forward a review of the impact of end-to-end competition on the universal postal service and make regulatory changes to protect the universal postal service.
- A1.38 Therefore our work on postal regulation in 2014/15 has largely comprised these two unplanned reviews of access pricing and the impact of the end-to-end competition on the universal postal service, as well as our ongoing Competition Act investigation into Royal Mail's notified changes to access prices and terms and conditions.
- A1.39 In December we published:
- our annual monitoring update on the postal sector, which included new metrics for assessing efficiency;
 - a consultation proposing new rules for setting access prices. This is to ensure that Royal Mail's access prices do not deter beneficial competition, while permitting Royal Mail to set a price which it allows it to make a fair profit and reflects the costs in a given type of area; and
 - a decision document explaining that our analysis showed that the universal service was not currently under threat from end-to-end competition. Therefore we did not consider it necessary to impose new regulatory conditions on new entrants.
- A1.40 Our review of end-to-end competition in the postal sector also highlighted a number of other factors that could potentially have a more significant impact on the financial sustainability of the universal postal service in the future. In particular, these were Royal Mail's progress on improving its efficiency and the development of the parcels market.
- A1.41 We announced that, in addition to our ongoing monitoring of the postal market, including the impact of end-to-end competition, we would also review these other important issues in order to inform our consideration of our duty to secure the provision of a universal postal service.
- A1.42 Throughout 2015/16 we will carry out a broader review of the factors that potentially affect Royal Mail's ability to continue to provide the universal service in the future, such as its progress on efficiency and changes in the parcels market. We aim to substantively complete this work by the end of 2015/16.

- A1.43 Ofcom may also conduct a further review of competition near the end of 2015 if necessary.

Promote better coverage of fixed and mobile services for residential and business consumers

- A1.44 As consumers and businesses increasingly rely on mobile devices, expectations of mobile coverage and quality have increased. The MNOs are currently rolling out 4G networks and O2 is required to provide 4G services to 98% of the population by 2017 under the terms we set for its spectrum licence.
- A1.45 However, as set out in recent publications, a number of areas of concern with regard to coverage remain (partial and complete not spots), as well as with regard to quality of experience.
- A1.46 Work to promote better coverage of mobile services is an area of particular interest to all of the nations of the UK, as highlighted in [Chapter 6](#).

Continue to promote the provision of better mobile coverage and service information in order to inform both consumers and policy decisions

- A1.47 We will provide technical support to Government as it considers options for improving the coverage of mobile networks. We anticipate that this work will include advising the Department for Transport on plans for improving rail coverage.
- A1.48 We plan to publish updated research into mobile broadband speeds in Q1 2015/16. We also plan to publish additional research into coverage for 2G, 3G and 4G networks in Q3 2015/16.

Work to understand the potential benefits of modifying indoor mobile repeater licensing

- A1.49 Mobile phone, or cell phone, repeaters (also known as boosters, enhancers or amplifiers) are marketed as a technology to improve mobile network coverage. The use of mobile repeaters is regulated under the Wireless Telegraphy Act. It is currently unlawful to install or use this type of radio apparatus without a licence or exemption granted by Ofcom.
- A1.50 We are considering the potential benefits of modifying licensing arrangements for the appropriate use of mobile phone repeaters, in order to improve mobile coverage for citizens and consumers.
- A1.51 As part of our broader programme of work on mobile coverage next year, we are commissioning a study to better understand the technical characteristics of any consumer-installed indoor mobile repeaters that might be made available. The results of this study will be published as part of a consultation planned for Q1 2015/16.

Supporting government initiatives to improve coverage of superfast broadband through the work of Broadband Delivery UK

- A1.52 In August 2014, the Department for Culture, Media & Sport (DCMS) announced that it was on track to meet the Government's target of making superfast fibre broadband available to 95% of premises by 2017. This would ensure that these

consumers have sufficiently fast broadband in excess of 10Mbps. Its focus is now shifting to the 'final 5%' of premises not subject to the original targets.

- A1.53 Broadband Delivery UK (BDUK), within DCMS, has launched eight pilot schemes to test different technological approaches to further extend coverage of fibre broadband in these areas. In 2015/16 we will continue to provide technical support and advice, as appropriate, to BDUK and government on promoting the availability of superfast broadband.
- A1.54 As superfast broadband reaches an increasing share of the population, policy considerations will turn to the subsequent generation of ultra-fast broadband services, such as FTTP. This issue is discussed in paragraph [7.5](#) above.

Monitoring gaps in superfast coverage in cities and rural areas

- A1.55 The [Infrastructure Report 2014](#) observed that gaps in superfast broadband coverage exist in cities as a result of factors such as exchange-only lines and rural areas. We also noted that SMEs experience relatively low NGA broadband coverage in comparison with residential properties. We will continue to monitor progress in addressing these gaps as rollout continues and will publish new analysis of operator data in the *Infrastructure Report Update 2015*.
- A1.56 We will also update our economic geography research and plan to publish it alongside the *Infrastructure Report Update 2015*. This research will cover all the nations of the UK.

Strategic purpose 4: secure optimal use of spectrum

- A1.57 Ofcom has a duty to secure the optimal use of the electro-magnetic spectrum. Spectrum is vital to a diverse set of users, from mobile networks to satellites and radar to TV and radio broadcasts. We manage spectrum resources to promote the interests of citizens and consumers, by promoting widespread availability, competition and choice of services.

Secure optimal use of spectrum

- Work towards the timely release and effective award of spectrum, including the 2.3GHz, 3.4GHz and 700MHz bands

Work towards the timely release and effective award of spectrum, including the 2.3GHz, 3.4GHz and 700MHz bands

Prepare for the award of the 2.3GHz and 3.4GHz bands and work with Government on Public Sector Spectrum Release

- A1.58 As part of our strategy to increase the total amount of spectrum available and support the growing demand for wireless services delivering wider consumer and citizen benefits, we are moving forward with plans to award 190MHz of spectrum in the 2.3GHz and 3.4GHz bands. This forms part of the Government's commitment to release 500MHz of spectrum under 5GHz from the public to private sector by 2020.
- A1.59 We published a consultation on this award in November 2014. It set out two possible auction designs, a competition assessment and draft licence conditions.

We proposed holding an auction and making the award by the end of the financial year 2015/16.

- A1.60 In summer 2015 we will publish a statement, draft regulations and information memorandum in advance of the auction. This will include our conclusion on technical and non-technical licence conditions and conclusions in relation to technical coexistence issues. As part of our preparations for an award we will also invite prospective bidders to participate in a mock auction.
- A1.61 In addition to the 2.3GHz and 3.4GHz bands, we are working with Government to consider which further spectrum used by the public sector might be available and suitable for sharing with a range of other applications.

Change of use of the 700MHz band

- A1.62 In November 2014 we published [our decision](#) to make spectrum in the 700MHz band (694-790MHz) available for mobile data use. This is an important part of our broader strategy for addressing future mobile data spectrum requirements. Our objective is to make the band available for mobile by the start of 2022 and sooner if possible.
- A1.63 The 700MHz band is currently a substantial portion of the spectrum used to deliver digital terrestrial television (DTT) services. In addition, many wireless microphones used at events such as concerts and theatre performances ('audio PMSE' devices) use the 700MHz band. Making the band available for mobile data from 2022 will mean that DTT and audio PMSE services will no longer be able to use this spectrum.
- A1.64 Our objective is to implement the changes to the 700MHz band while safeguarding the benefits that DTT and audio PMSE services provide to citizens and consumers. Our analysis suggests we will be able to deliver the change without materially reducing DTT coverage or channel line-up and without causing significant disruption to viewers. The concerts and performances which rely on audio PMSE devices make an important contribution to the creative economy and cultural life of the UK. Just as we wish to safeguard DTT, so we will aim to ensure that PMSE users have access to the spectrum they need to continue staging these events without materially compromising production values.
- A1.65 Over the next year, we will:
- continue to engage with international frequency planning negotiations, with a view to securing the spectrum planning agreements needed to enable change of use of the 700MHz band. We will work to agree the main details of a revised DTT frequency plan with our international neighbours by the end of 2015;
 - work closely with broadcasting stakeholders to develop a plan for the DTT infrastructure modifications needed;
 - work with the PMSE industry, aiming to ensure that PMSE users have access to the spectrum they need; and
 - work with Government, PMSE users, industry and consumer groups to develop a plan so that viewers and affected spectrum users receive information and support during the transition.

Strategic purpose 5: maintain audience confidence in broadcast content

A1.66 We will continue to work to maintain audience confidence in content consumed on TV and radio services. This work requires us to review existing processes and rules to ensure that they remain effective and appropriate, and to work in collaboration with industry and others to respond appropriately to market developments in the broadcasting and consumption of audio-visual content.

Maintain audience confidence in broadcast content

- Promote audience safety and assurance on traditional and online environments

Promote audience safety and assurance in traditional and online environments

A1.67 As patterns of consumption change in content services, it is important that we continue to promote the interests of audiences.

A1.68 On traditional platforms we license more channels than ever before, some of which are not longstanding broadcasters with strong cultures of regulatory compliance. With this comes more opportunity for innovation, but also greater risk that content may be aired which is harmful or otherwise not compliant with the broadcasting code.

A1.69 In addition, we continue to promote the safety of audiences when consuming content online, particularly in the case of children.

Ensure content complies with broadcasting rules by taking a new targeted approach to our enforcement activities for TV broadcasters

A1.70 In 2014/15 we undertook a wide-ranging review of our processes for licensing broadcast services and enforcing standards to ensure effective protection for audiences. There have been growing concerns about the broadcast of potentially harmful or non-compliant material, and we have imposed significant sanctions as a result of this type of content.

A1.71 In 2015/16 we will build on this review, undertaking a range of work to ensure that the services we license comply with our rules. This will include:

- extending monitoring of TV content to detect content which raises issues of potential audience harm, particularly of channels about which we receive few or no complaints;
- a new enforcement approach of investigating licensees' adherence to their requirement to have sufficient compliance procedures in place. This will enable us to detect serious and systemic compliance problems as early as possible;
- conducting audits of services provided by UK satellite uplink providers to check that they are not inadvertently providing access to unlicensed services;
- expanding our annual licence validation programme so we can check additional information about our licensees on a regular basis. This includes name changes,

changes to licensee ownership, and confirmation of whether services are currently broadcasting; and

- a new educational programme to help licensees understand their regulatory obligations, in order to improve overall compliance.

Promote the safety and assurance of children online

A1.72 Ofcom is responsible for regulating on-demand programme services (ODPS) and ensuring they observe relevant standards. This includes protections against “specially restricted material”, such as R18 content, and prohibited material which would be refused a BBFC classification. This follows regulations introduced this year confirming that ODPS Services online should be subject to the same classification standards as offline material.

A1.73 Ofcom also has a responsibility regarding the promotion of media literacy (section 11 of the Communications Act 2003) and fulfils this duty through the publication of media literacy research, including children/parents’ media use and attitudes.

A1.74 We will undertake a range of work which, in combination, seeks to maintain and update the framework for protecting children from unsuitable audio-visual content and inform the debate on how to protect children in the digital environment. This continues to be a key area of concern for Ofcom and the Government.

A1.75 Specifically, in 2015/16:

- we will continue to regulate ODPS: Ofcom has formally designated the Authority for Television on Demand (ATVOD) as co-regulator for editorial content and the Advertising Standards Authority (ASA) as the co-regulator for advertising content. Ofcom remains, however, ultimately responsible for ensuring that providers of on-demand services observe the relevant standards. We will continue to support the work of ATVOD in enforcing standards in ODPS. We will also work with the BBFC, where relevant, to ensure our enforcement of the rules concerning specially restricted and prohibited material takes into account any current guidelines produced by them;
- we will be an active member of the European Regulators Group for Audiovisual Media Services (ERGA) sub-group on the protection of minors. ERGA’s role is to advise the European Commission on the application of the AVMS Directive and on matters relating to audio-visual media services more generally; and
- we will continue to play an active role in supporting the Government’s UK Council for Child Internet Safety (UKCISS), including chairing the working group on Social Media. We are able to inform UKCISS’s work through our market research into awareness and use of online media, particularly through our media literacy reports. In addition, we will continue to contribute to European debates on the protection of minors, as appropriate.

A1.76 The Government has stated²² that it expects companies across the internet value chain to ensure that all internet-enabled devices are supplied with child safety tools

²² Department for Culture, Media & Sport, Connectivity, content and consumers: Britain's digital platform for growth, July 2013, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/225783/Connectivity_Content_and_Consumers_2013.pdf.

as a standard feature. As part of this, we have been asked by the Secretary of State to assess the implementation of filters in the UK, and report on parental awareness of, confidence in, and take-up of parental controls.

- A1.77 Ofcom will also continue, along with other UK media regulators, to update ParentPort, to ensure that the website continues to meet its purpose: making it easier for parents to complain to the regulators about material they have seen or heard which they think is unsuitable for their children.

Strategic purpose 6: contribute to and implement public policy defined by Parliament

- A1.78 Ofcom's duties are defined by Parliament. From time to time Parliament alters Ofcom's remit, which may require us to undertake new work. We also undertake work where our role is to represent the UK's position at international fora. We provide advice as appropriate in response to requests from Government departments and agencies where we are able to provide expert input.

- A1.79 In addition we also work to support the devolved governments in each of the UK's nations on communications policy matters as appropriate.

Contribute to and implement public policy defined by Parliament

- Represent the UK's position in international negotiations to agree how best to use spectrum effectively

Represent the UK's position in international negotiations to agree how best to use spectrum effectively

- A1.80 Ofcom represents the UK in international spectrum discussions, including World Radiocommunications Conferences (WRCs). WRCs are held approximately every four years and develop global and regional agreements on the use of spectrum.
- A1.81 These treaty-level agreements provide clarity to operators and equipment manufacturers on international spectrum use. This enables economies of scale and interoperability, thereby bringing benefits to UK citizens and consumers through wider availability of devices and lower prices.
- A1.82 The conference will address a number of agenda items that will have a direct impact on many users of spectrum across a range of sectors. These include mobile and mobile broadband, aeronautical, satellite, science and radio astronomy, maritime and amateur radio.
- A1.83 Ofcom is engaging with Government and stakeholders during preparations for WRC-15 to ensure that the UK's views and positions are developed so as to be effective. We also consulted on the proposed WRC-15 agenda items in [June 2014](#).
- A1.84 In 2015/16 we will:
- co-ordinate UK positions to be taken to CEPT (European Conference of Postal and Telecommunications Administrations) Conference Preparatory Group meetings for WRC-15 (CPG15). At the CPG15 meeting in June 2015 we expect

to sign the first set of European Common Positions (ECPs) on behalf of the UK, before signing the remaining ECPs at the final CPG15 meeting in September;

- present UK and, where appropriate, CEPT positions, at WRC-15 in November 2015. We will negotiate on behalf of the UK and CEPT, seeking results that will deliver best outcomes for UK citizens and consumers and reflect the interests of UK companies who are impacted by spectrum decisions taken at WRC-15; and
- following WRC-15, we will participate in discussions to agree the structure of work for the next WRC, expected to be held in 2019.

To help measure our performance against these priorities, we have set interim and final outcomes

A1.85 We will measure the success of our delivery against our priorities for 2015/16 against a set of interim and final outcomes. This will be reported on in the Annual Report in July 2016.

A1.86 We have identified outcomes for each of our priorities, as shown in Figure 5 below.

A1.87 We have divided our outcomes into interim and final outcomes:

- interim outcomes are events in the market that result from a decision taken by Ofcom (for example, granting third parties access to a particular network or service). These play a part in delivering final outcomes; and
- final outcomes describe wider benefits for citizens and consumers. An example would be enabling consumers to choose from a range of competitive and innovative retail offerings. We intend to do what can reasonably be done to judge our success in securing final outcomes, while acknowledging that these outcomes will also be influenced by wider market developments.

Figure 5: Draft Annual Plan 2015/16 proposed priorities and outcomes

	STRATEGIC PRIORITIES	INTERIM OUTCOMES	FINAL OUTCOMES
Promote effective competition and informed choice	Ensure effective competition in the provision of communications services for businesses, particularly SMEs	<i>Business connectivity market review</i> : Complete a review of the business connectivity markets and introduce remedies if necessary	<i>Business connectivity market review</i> : Promote competition in the supply of business connectivity services and create conditions to allow the market to deliver sustainable investment and innovation in infrastructure
		<i>Enable SMEs to get the best out of communications services</i> : Identify whether the market is delivering good outcomes for SMEs and publish an initial document in Q1 2015/16. Apply policy recommendations to improve SMEs' experiences	<i>Enable SMEs to get the best out of communications services</i> : SMEs can choose from an appropriate range of communications, services and suppliers, and are able to engage effectively with providers
	Improve the process of switching providers for consumers	Ensure switching processes for communications services across a range of technologies and products do not lead to barriers to switching for consumers	Consumers can switch easily between communications providers without hassle, and barriers to switching do not result in harm to the competitive process
Protect consumers from harm	Introduce clearer pricing for numbers starting 08, 09 and 118, and make '080' and '116' calls free from mobiles as well as landlines	Consumers are aware of changes to Freephone and unbundled calls. Communications providers implement unbundled tariffs (access and service charges) on their billing platforms without significant problems (such as calls lost or incorrectly priced) Service providers make informed choices on the non-geographic number range to use	Measurable improvements in consumer understanding of non-geographic calls pricing and a reduction in associated bill shock
	Monitor and ensure improved quality of service and customer service performance	Monitor and publish timely KPI updates on BT's performance against the requirements on quality of service that we introduced in the fixed access market review	Customers benefit from an improved level of quality of service for the provision and repair of communications services provided over BT's network
	Protect consumers from harm in a range of priority areas including nuisance calls	Identify instances of consumer harm, and take action, including investigations and penalties as appropriate, to secure compliance and reduce the harm	Measure improvements in levels of consumer harm caused by each issue, which may include measures such as complaint volumes, media and public opinion and other bespoke research

	STRATEGIC PRIORITIES	INTERIM OUTCOMES	FINAL OUTCOMES
Promote opportunities to participate	Review the factors that potentially affect the sustainability of the universal postal service	Identify and consider factors which may affect the provision of the universal postal service	A universal postal service which meets the needs of business and residential consumers
	Promote better coverage of fixed and mobile services for residential and business consumers	Publish mobile broadband speeds research in Q1 2015/16 and 2G, 3G and 4G coverage research in Q3 2015/16. Consult on the potential role for repeaters in improving indoor coverage	Continue to encourage investment in mobile coverage by informing consumers about the coverage and mobile data speeds that operators offer
		Report gaps in availability of superfast broadband for rural and urban areas, and for small businesses. Support BDUK as appropriate	Wide availability of sufficiently fast broadband to meet consumer demands
Secure optimal use of spectrum	Work towards the timely release and effective award of spectrum, including the 2.3GHz, 3.4GHz and 700MHz bands	<p><i>Award of 2.3GHz/3.4GHz bands:</i> Finalise technical conditions for release of bands. Finalise auction policy, design and regulations, and conduct auction</p> <p><i>Change of use of 700MHz band:</i> Complete pre-WRC-15 international discussions on harmonisation of band and agree main station DTT frequency plan</p>	<p><i>Award of 2.3GHz/3.4GHz bands:</i> Increase in amount of available spectrum to meet growing demand for wireless services delivering wider consumer and citizen benefits</p> <p><i>Change of use of 700MHz band:</i> Change of use for mobile broadband consistent with future international harmonisation and widespread availability of DTT and continued availability of spectrum for PMSE</p>
Maintain audience confidence in broadcast content	Promote audience safety and assurance on traditional and online environments	Improve broadcasters' understanding and awareness of how to comply with the relevant licence requirements and Code rules to prevent the broadcast of non-compliant content	A more effective content enforcement regime providing high levels of protection for audiences
		Ensure compliance of on-demand programme services to help protect children from unsuitable content. Stakeholders are informed about children and parents' media use and attitudes	Ensure an effective framework is in place to protect children from unsuitable audio-visual content in digital environments
Contribute to and implement public policy defined by Parliament	Represent the UK's position in international negotiations to agree how best to use spectrum effectively	Agree the UK's WRC position with Government and influence the development of European Common Positions in line with UK interest	UK has clearly articulated policy positions for the WRC in November 2015 which are agreed with Government and appropriately take into account the needs of UK stakeholders. Present positions effectively at the WRC

Annex 2

Detailed work programme for our significant work areas

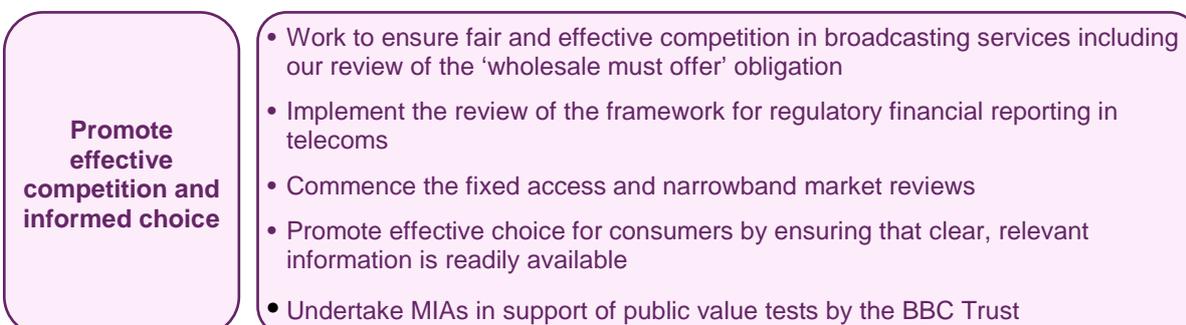
A2.1 In addition to our priorities set out in Annex 1 above, we have identified a number of significant areas of work for the next financial year. This significant work makes a substantial contribution to fulfilling our strategic purposes alongside our priorities.

Figure 6: Table of proposed significant work areas for 2015/16

Promote effective competition and informed choice	Protect consumers from harm	Promote opportunities to participate	Secure optimal use of spectrum	Maintain audience confidence in broadcast content
<ul style="list-style-type: none"> • Work to ensure fair and effective competition in broadcasting services including our review of the wholesale must offer obligation • Implement the review of the framework for regulatory financial reporting in telecoms • Commence the fixed access and narrowband market reviews • Promote effective choice for consumers by ensuring that clear, relevant information is readily available • Undertake MIAs in support of public value tests by the BBC Trust 	<ul style="list-style-type: none"> • Work with UK and international bodies to promote improvements in caller line identification • Support industry and government initiatives to improve levels of trust in internet services • Work to ensure that critical services are supported on next generation voice networks • Ensure consumers have access to redress for service failures and poor quality of service 	<ul style="list-style-type: none"> • Understand and promote the interests of vulnerable citizens and consumers • Carry out other work in light of our duty to secure the provision of the universal postal service 	<ul style="list-style-type: none"> • Conclude our review of spectrum requirements for the programme-making and special events sector • Improve the planned use of UHF spectrum • Work with Government to meet the spectrum requirements of the emergency services • Explore and implement opportunities for spectrum sharing • Plan for future spectrum requirements, including for the Internet of Things • Implement plan on radio frequency performance 	<ul style="list-style-type: none"> • Complete our review of music formats regulation on radio • Complete our review of the EPG code • Develop plans for the implementation and licensing of small-scale DAB
Contribute to and implement public policy defined by Parliament				
<ul style="list-style-type: none"> • Complete Ofcom's review of public service broadcasting • Respond as appropriate to changes in the devolution of powers to national governments • Publish an update to the 2014 report on the state of UK communications infrastructure • Develop a framework for measuring media plurality • Engage with Government on the potential implementation of a common framework for media standards • Engage with the legislative programme of the new European Commission 				

A2.2 We have presented a diagram of our significant work areas above, aligned to our strategic priorities.

Strategic purpose 1: promote effective competition and informed choice



Work to ensure fair and effective competition in broadcasting services

Review of the 'wholesale must offer' obligation

- A2.4 Ofcom has a duty under Section 316 of the Communications Act 2003 to impose appropriate conditions for ensuring fair and effective competition in the provision of licensed broadcasting services.
- A2.5 In 2010, Ofcom completed a review of the pay TV market. In order to ensure fair and effective competition, we imposed a wholesale must-offer obligation (WMO) on Sky, requiring it to offer Sky Sports 1 and 2 on a wholesale basis to other retailers. As part of the 2010 pay TV review statement, we committed to reviewing this remedy.
- A2.6 We are now reviewing whether the WMO continues to be appropriate for ensuring ongoing fair and effective competition in the pay TV market. This review will consider the implications of developments in the market since 2010. We published a consultation on the first phase of our review in December 2014. Following this, we plan to publish a further consultation setting out our conclusions on the competition issues identified, and, if necessary, any proposed remedies for ensuring fair and effective competition.

Consideration of broadcasting transmission services

- A2.7 In 2005 we concluded a review of the market for broadcasting transmission services. As a result of this review, we found Crown Castle and ntl:broadcast (which now both form part of Arqiva) to both have significant market power in the market for the provision of access to masts and sites and shared or shareable antenna systems. Regulatory conditions were imposed as a result of the review.
- A2.8 In the coming year we will reconsider the market for broadcasting transmission services following our review in 2005.

Complaint by Virgin Media under the Competition Act

- A2.9 On 18 November 2014 we opened an investigation into how the Premier League sells live UK audio-visual media rights for Premier League football matches. The investigation will be carried out under our concurrent Competition Act powers and

follows a complaint from Virgin Media, which was submitted to Ofcom in September. This work is described in [Chapter 5](#) of this plan, which sets out our duties and responsibilities under our concurrent competition powers.

Implement the review of the framework for regulatory financial reporting in telecoms

- A2.10 BT and KCOM provide Ofcom with information on the financial performance of their regulated services. Additionally, both companies must publish some of this information in their annual regulatory financial statements.
- A2.11 In 2014 we published our decision to make changes to BT's regulatory reporting requirements. We did so to ensure that BT provides relevant and reliable financial information in a way that is understood by stakeholders and is proportionate to the benefits it provides.
- A2.12 The changes introduced give Ofcom a greater role in the way that BT prepares its regulatory financial statements, improve the presentation of those statements and should mean that Ofcom and other stakeholders have access to the information that they need.
- A2.13 Many of these changes are now in effect. However, further work is required to implement the remaining changes. For example, we need to establish new regulatory reporting guidelines that will provide the accounting rules to be followed when preparing future regulatory financial statements. We expect to publish these guidelines in spring 2016. These will be informed by a review, now underway, of the way BT currently allocates its costs in the regulatory financial statements.

Commence the fixed access and narrowband market reviews

- A2.14 Under the European Framework for Electronic Communications we are required to review certain communications markets every three years. During 2015/16 we will start work on two such reviews.
 - 2.14.1 The fixed access market review (FAMR, which includes wholesale broadband) will look at competition in the provision of fixed telecommunications connections that can be used to support voice and broadband services. We aim to publish a call for inputs in the second half of 2015/16. This work will continue throughout 2016/17 with any necessary regulatory requirements being introduced before the current regulation expires at the end of March 2017.
 - 2.14.2 The narrowband market review will look at competition in the market for fixed call origination and termination to determine whether any competition remedies are necessary in this market. We aim to publish a call for inputs in the first half of 2015/16 and a consultation in the second half of 2015/16. This will ensure that we can introduce any necessary regulatory requirements before the current regulation expires at the end of September 2016.

Promote effective choice for consumers by ensuring that clear and relevant information is readily available

- A2.15 Consumer information plays a critical role in ensuring that competitive communications markets work for consumers. We will continue to publish

information in a range of areas to ensure that consumers can access clear and relevant information about the performance of different providers.

Performance of fixed broadband connections

- A2.16 Since 2008 Ofcom has monitored the performance of fixed broadband connections by commissioning the measurement of a range of technical metrics, using a panel of residential fixed broadband users. These metrics include connection upload and download speed, latency, jitter and packet loss.
- A2.17 Using this research, we publish summary reports which monitor average UK connection speeds and compare the performance of several widely-used ISP packages. We plan to continue this research in 2015/16.

Mobile coverage and mobile broadband speeds

- A2.18 We publish [mobile broadband speeds](#) and [mobile coverage information](#) to enable consumers to compare the mobile coverage that each MNO offers across the UK's nations.

Quality of experience in fixed broadband services

- A2.19 We will continue to investigate methods of measuring overall quality of experience in broadband internet services.
- A2.20 We published initial [research](#) into the overall end-to-end internet distribution chain alongside the [Infrastructure Report 2014](#). This indicated that factors other than access speeds play an important role in how internet services perform.
- A2.21 In 2015/16 we will continue to investigate and refine approaches that will provide consistent and robust results. We will also continue to engage with industry to ensure that the methods used are scrutinised and understood.

Quarterly complaints publication

- A2.22 We consider that publishing provider-specific data on consumer complaints is useful to consumers, especially when they are considering a new service or provider. Publishing these data can also incentivise providers to improve their performance.
- A2.23 We will continue to release quarterly data on the volume of complaints that we receive (per 1000 subscribers of a particular operator). These include data on landline, broadband, pay-monthly mobile and pay TV services for the largest providers.
- A2.24 We will also publish a customer satisfaction survey, which assesses consumer opinions of the quality of customer service in the fixed line, mobile, fixed broadband and pay TV markets.

Other relevant work areas

- A2.25 Other areas of work addressed in this Plan contribute to our aim to better inform consumers. For example, we also publish a range of consumer guides to provide consumers with information on communications services. These include information on relay services and broadcast access services.

Undertake market impact assessments in support of the public value tests by the BBC Trust

- A2.26 Under the BBC Royal Charter and Agreement, the BBC Trust must apply a public value test before a decision can be taken to make any significant changes to the BBC's UK public services. The decision on whether to authorise such a change is then made by the Trust. In reaching its conclusion on a public value test, the Trust must take account of two separate reviews:
- a public value assessment, carried out by the Trust, which assesses the likely value to the licence payer of any proposed changes, particularly in terms of its contribution to the BBC's public purposes; and
 - a market impact assessment (MIA), carried out by Ofcom, which assesses the effect of the proposed service change on other services in the market. It considers both the direct impact on consumers and producers of other services, for example in terms of price and choice, and the likely impact on competition and market development.
- A2.27 Most recently, in December 2014, the BBC Executive made a formal application to the BBC Trust to make a number of changes to the provision of its UK public services. These include closing BBC Three and reinventing it online, extending the hours of CBBC, enhancing the BBC iPlayer, and launching a BBC One +1 channel. We expect to have completed our MIA around the end of Q1 2015/16. The MIA will have input to the BBC Trust's decision as to whether the BBC's service proposals should be authorised.

Strategic purpose 2: protect consumers from harm

Protect consumers from harm

- Work with UK and international bodies to promote improvements in caller line identification
- Support industry and government initiatives to improve levels of trust in internet services
- Work to ensure that critical services are supported on next generation voice networks
- Ensure consumers have access to redress for service failures and poor quality of service

Work with UK and international bodies to promote improvements in caller line identification

- A2.28 Unsolicited calls and texts cause significant nuisance, annoyance and in some cases distress for consumers. Ofcom has been taking action in this area as a priority for a number of years. But the volume of unsolicited 'nuisance' calls remains high, and is likely to rise, aided by the rapidly decreasing costs of generating calls. At the same time, VoIP technologies enable callers to alter their caller line identification (CLI) so as to obscure their identities, enabling a growing number of cases of serious fraud.
- A2.29 Ofcom has been working with the NICC (a technical forum for the UK communications sector that develops interoperability standards) and communications providers to improve means of tracing nuisance calls across networks.

- A2.30 A longer-term goal is the introduction of CLI 'authentication' practices. We are engaged with the US Federal Communications Committee (FCC)'s work to develop technical solutions to CLI 'spoofing', which will be delivered through the IETF and ITU, and have established a related Memorandum of Understanding with other national regulatory authorities. This type of solution will require the development of CLI authorisation through a certification scheme.
- A2.31 We anticipate undertaking further work on nuisance calls in 2015/16 that will aim to deliver CLI assurance in the UK, predicated on the progress of standardisation work in the IETF in 2015. We will complement this with our ongoing work with other regulatory and standards bodies and engagement with BEREK.

Support industry and government initiatives to improve levels of trust in internet services

- A2.32 Data generated by consumers and citizens when they use internet-connected devices are increasingly of value to providers of commercial and public services. In July 2014 we published a call for inputs on the Internet of Things. Several responses highlighted the importance of securing trust if consumers are to continue sharing their data and allowing it to be shared by others in ways that support innovation.
- A2.33 Industry has a clear incentive to raise levels of consumer trust, and to this end we will continue to support associated industry and government initiatives as appropriate. For example we will continue to support initiatives such as the Connected Digital Economy Catapult on helping businesses to encourage trust in the use of consumer data, and the Broadband Stakeholders Group on the consumer impact of ISPs' approaches to traffic management.
- A2.34 Working in partnership with the CMA, the Financial Conduct Authority, the Information Commissioner's Office and PhonepayPlus, we have published consumer guides offering advice on safer use both of smartphones and of apps more specifically. We will continue to work with these regulators to undertake research and share expertise on data-related consumer protection matters.

Work to ensure that critical services are supported on next generation voice networks

- A2.35 Fixed communications providers around the world are beginning to consider how voice networks and services will evolve, typically towards being delivered over IP-based access networks. The further development of convergent communications propositions (e.g. fixed / mobile services), as well as the age of existing voice networks, are encouraging this process.
- A2.36 Such developments will inevitably result in the retirement of the traditional voice networks; however, the timescales for this will depend on many factors, including the costs associated with the continued maintenance of these networks. In the coming year we will monitor these developments and, for shorter-term issues, intervene where appropriate.
- A2.37 We anticipate that with the increased use of IP-based voice networks by major networks, we will need to consider a range of issues to satisfy ourselves that consumers can continue to have confidence in the availability and capabilities of voices services offered to them.

- A2.38 We therefore intend to publish a call for inputs in Q4 2014/15 inviting stakeholders to submit their views on the key technical issues that may arise as a result of voice migration from legacy networks to next generation networks. This includes the capability of future networks to support the variety of legacy services on which consumers may continue to rely in future.
- A2.39 In conjunction with this wider review of voice over next generation networks, we intend to specifically consult on the issue of how access to emergency services should be best achieved over the various anticipated next generation architectures. Of particular importance will be the extent to which access networks will continue to operate in the event of a power cut to the premises or wider neighbourhood, for example through the provision of battery backup. We expect to publish a statement on this issue in Q2 2015/16.

Monitoring the impact of the transition to next generation access networks on legacy services

- A2.40 It is possible that some legacy services may not be supported by next generation access (NGA) networks. We will monitor the rollout and deployment of voice service over NGA network so that we are aware of any impact on services as a result.
- A2.41 Where necessary we will work with bodies such as the NICC to overcome any issues that arise.

Ensure consumers have access to redress for service failures and poor quality of service

Broadband Speeds Code of Practice

- A2.42 The voluntary Broadband Speeds Code of Practice, agreed by Ofcom and all of the UK's largest ISPs (collectively providing over 95% of retail broadband connections), came into force in January 2009 and was revised in 2010.
- A2.43 The Code is designed to ensure that consumers get the information on broadband speeds that they need at the point of sale in order to make informed purchasing decisions.
- A2.44 The Code also includes provisions to ensure that consumers who receive an access line speed that is significantly below the estimated access line speed range have the ability to leave their contract without penalty. We have undertaken mystery shopping research to measure compliance with the Code.
- A2.45 We intend to complete our review of the Code and hope to ensure all ISPs have agreed to any changes, by Q1 2015/16.

Fair contract terms

- A2.46 In 2015/16 we will continue to focus on issues around fair contract terms, including compliance with the guidance we issued in 2013 on mid-contract price increases, and consumers' rights to exit contracts.

Alternative dispute resolution

- A2.47 Ofcom requires that communications providers offering services to individuals and small businesses must be members of an alternative dispute resolution (ADR)

scheme. We will continue to ensure that communication providers and ADR schemes meet the complaint handling and ADR requirements set by Ofcom.

Strategic purpose 3: promote opportunities to participate

Promote opportunities to participate

- Understand and promote the interests of vulnerable citizens and consumers
- Carry out other work in light of our duty to secure the provision of the universal postal service

Understand and promote the interests of vulnerable citizens and consumers

A2.48 Ofcom has duties to set requirements for communications providers to ensure that disabled end users have access to communications services equivalent to those enjoyed by the majority of end users. We also have a duty under the Communications Act to have regard to the needs of older and disabled people in our work.

Relay services

A2.49 Relay services enable people with hearing and/or speech impairments to communicate with others through telephone or textphone equipment, with a relay assistant acting as an intermediary to convert speech to text and vice versa for the two parties.

A2.50 Following a review, in October 2012 we required all UK landline and mobile providers to provide their customers with access to an improved 'next generation' text relay service by April 2014. During 2015/16 we will continue to monitor the operation and take-up of the new relay service. This will include research among users of the service to ensure it is bringing about the desired improvements.

A2.51 In addition, Deaf Access to Communications (DAC) is leading an initiative to encourage the provision of video relay services by communications providers, businesses and other organisations on a voluntary basis. We continue to work with DAC, government and industry as appropriate to assist in this.

Improving the quality of live subtitling

A2.52 Given continued concerns about the quality of live subtitling, we began a two-year project in 2013 to monitor its quality in order to highlight areas for improvement and encourage broadcasters to act on these. In 2014/15, we published two [reports](#) on the accuracy, latency and speed of samples of live subtitling from major broadcasters.

A2.53 We will publish two further reports in spring and autumn 2015, after which we will consider whether we need to take further action. We will also review current guidance on the provision of access services in the light of the data gathered from the monitoring exercise.

Speaking EPGs

A2.54 Around two million people have visual impairments that make it difficult or impossible for them to use on-screen TV programme guides. In July 2014 we issued a call for inputs to gather views from interested parties on whether TVs and

set-top boxes that allow people to hear the information in on-screen TV programme guides might make it easier for blind or visually impaired viewers to choose what to watch.

- A2.55 Following the conclusion of the EPG code review (see paragraph [A2.100](#)), we will consider whether to consult on specific proposals on speaking EPGs, taking into account the responses to our call for inputs.

Access to communications services for low income households

- A2.56 In January 2014 we published our [Cost and Value](#) report which showed that, over the last ten years, consumers have benefited from declining real costs for most communications services, and increased quality and choice.

- A2.57 In July 2014 we [published research](#) on consumers' views of the importance of communications services and their affordability. While we found that the large majority of consumers are unlikely to face affordability issues, we found cases where some consumers, in particular those on low incomes, were facing problems with debt or were excluded from using services because of the cost of the service.

- A2.58 To address these issues, in 2015/16 we will continue to:

- report annually on the prevalence of debt and cost as barriers to participation within our consumer experience reports;
- improve links between debt charities and communication providers, and raise awareness of what to do in case of telecoms debt; and
- raise greater awareness of the most affordable deals.

Carry out other work in light of our duty to secure the provision of the universal postal service

- A2.59 As a result of the developments described in paragraph [A1.35](#), we postponed a set of work relating to postal services that was identified in the 2014/15 Annual Plan.

- A2.60 Following this, and in light of our duty to secure the provision of the universal postal service, we plan to undertake a range of work during 2015/16. We will:

- complete our review of access pricing in Q2 2015/16 and if appropriate complete our proposed follow-up work on zonal cost reporting;
- complete our broader review of the factors that could potentially affect Royal Mail's ability to continue to provide the universal service in future;
- complete our reviews of the postal common operational procedures (Q1 2015/16), mail integrity code of practice (Q2 2015/16) and complaint handling and redress schemes (Q4 2015/16);
- continue our ongoing monitoring regime, which includes regular internal reporting and an annual update to the market on the financial performance of the universal service, quality of service, the evolution of competition and Royal Mail's progress towards improving its efficiency; and

- continue our work on reviewing the approach to protecting competitors from margin squeeze with respect to access services, including the appropriate cost base for any future measures.

Strategic purpose 4: secure optimal use of spectrum

Secure optimal use of spectrum

- Conclude our review of spectrum requirements for the programme-making and special events sector
- Improve the planned use of UHF spectrum
- Work with Government to meet the spectrum requirements of the emergency services
- Explore and implement opportunities for spectrum sharing
- Plan for future spectrum requirements, including for the Internet of Things
- Implement plan on radio frequency performance

Conclude our review of spectrum requirements for the programme-making and special events sector

- A2.61 In October 2014 we published our strategy to ensure that users of wireless cameras and video links in the PMSE sector continue to have access to sufficient spectrum to support their activities.²³
- A2.62 We will continue our work reviewing the PMSE spectrum access options for audio PMSE applications (for example wireless microphones, in-ear monitors and talkback). This work will build on our analysis of spectrum supply and demand for PMSE use of ultra-high frequency (UHF) spectrum as part of Ofcom's preparations for the release of the 700MHz band.
- A2.63 We will work closely with stakeholders through the final stages of our review to develop a strategic framework for future audio PMSE spectrum access. We aim to complete significant co-existence testing by mid-2015 and will publish the conclusions of this work by Q3 2015/16.
- A2.64 In Q4 2014/15 we will consult PMSE stakeholders on ideas for simplifying and improving the current licensing process.

Improve the planned use of UHF spectrum

UK planning model

- A2.65 The UHF spectrum used by DTT services is under increasing demand by a range of other services including mobile broadband, PMSE and white space devices. In addition, changes of spectrum use in adjacent bands (such as the use of the 800MHz band by LTE services) need to be carefully managed so that they do not cause harmful interference.
- A2.66 This increases the importance of being able to plan the use of UHF spectrum to deliver the required level of DTT coverage effectively, and to maximise its use by other services without causing harmful interference.

²³ Ofcom, Programme Making and Special Events: Strategy for Video PMSE applications, <http://stakeholders.ofcom.org.uk/consultations/pssr-2014/>.

- A2.67 The UK planning model (UKPM) that is currently used to plan DTT coverage was developed specifically to meet the policy objectives for digital switchover (DSO). These included the objective that digital coverage after switchover should match analogue terrestrial coverage without the need for significant numbers of aerial upgrades. The UKPM has been successful in achieving this broad objective, but some of the planning assumptions it used may not be suited to other policy objectives, such as maximising the use of UHF spectrum by other services without harmful interference occurring.
- A2.68 In the past year we have made significant progress, in collaboration with industry stakeholders, in reviewing the appropriateness of the planning assumptions used in the UKPM to meet DTT coverage targets and other policy objectives. We intend to finalise and publish the outcome of this review in 2015/16.

UHF Strategic Review (420MHz to 470MHz)

- A2.69 In January 2013 work started to analyse and project spectrum demand in the UHF1 (425-450MHz) and UHF2 (450-470MHz) bands over the next ten years taking into account current and potential future uses of the bands. This project will consider future growth from incumbent users, identify potential alternative uses and consider their impact on existing users. It will also consider the impact of changing patterns of use in Europe.
- A2.70 A [call for inputs](#) was published in December 2014 and the review stage of this project is due for completion in late 2015. We then plan to publish a consultation in Q4 2015/16. Implementation aspects will be covered by a new project following this review.

Work with Government to meet the spectrum requirements of the emergency services

- A2.71 Ofcom manages spectrum for the emergency services and in this role we have been supporting the Government in its consideration of the emergency services' future wireless communication needs.
- A2.72 Decisions on whether, and how, emergency services will require changes to their wireless communications services is a matter for Government, and the Home Office is leading this work. It is coordinating requirements for all the emergency services and is considering broadband communications, voice and data requirements. We contribute to the ongoing spectrum-related activities of the Emergency Services Mobile Communications Programme (ESMCP).
- A2.73 Ofcom will also continue to represent the needs of the UK emergency services in international fora, including at the 2015 World Radiocommunications Conference and in Europe, where spectrum policy in this area is being actively debated.

Explore and implement opportunities for spectrum sharing

White space spectrum

- A2.74 Dynamic spectrum sharing is one part of our work to enable effective sharing of spectrum. Implementing access to TV white spaces is a first step in achieving this.
- A2.75 The term 'white space spectrum' refers to frequencies that are not being used by existing licensees at all times or in all locations. TV white spaces are the

frequencies in the spectrum band 470MHz to 790MHz (also known as the UHF band) which are not being used at particular times or particular locations by the existing services.

- A2.76 Opportunistic access to non-utilised frequency bands around the UK can be used to support innovative services. This can be enabled by location-aware wireless devices, or databases that provide information on white space availability, given existing licensed use. Based on the work done in the TV white spaces pilot, we believe that databases can be used to support dynamic sharing of spectrum in the UHF band and in other spectrum bands in the future.
- A2.77 Having completed a pilot of the framework for accessing TV white spaces, we expect to publish our policy statement in Q4 2014/15. During 2015/16 we expect to complete the work necessary to implement access to TV white spaces. This will include work on the qualification of databases and the authorisation of white space devices.
- A2.78 We will also consider whether further spectrum, including that used by the public sector, might be available and suitable for sharing, as discussed in paragraph [A1.61](#).

Further opportunities for spectrum sharing

- A2.79 As we set out in our [Spectrum Management Strategy](#), any opportunities to clear spectrum (particularly on a nationwide basis) are likely to become more challenging. We stated that we would place a specific emphasis on spectrum sharing.
- A2.80 Spectrum sharing is already extensive, with 58% of the spectrum shared between two or more users.²⁴ Growing, competing demand for spectrum will further increase the importance of sharing. We will therefore conduct a wide-ranging review to identify potential opportunities for existing and new types of sharing between different users.
- A2.81 In the first half of 2015/16 we plan to publish a call for inputs, setting out proposals for prioritising new opportunities for spectrum sharing. Subject to stakeholder consultation later in 2015/16, we could set up new projects to deliver those opportunities which we identified as priorities.

Plan for future mobile data spectrum requirements, including for the Internet of Things

Mobile data strategy and preparing for 5G

- A2.82 UK citizens and consumers already benefit considerably from use of mobile devices and the data traffic produced by those devices is expected to grow significantly.
- A2.83 We published our long-term [strategy](#) to address this challenge in May 2014. The strategy identifies and prioritises a number of bands in addition to the planned releases at 700MHz, 2.3GHz and 3.4GHz, where we will undertake further work to consider their potential future use for mobile data.

²⁴ Ofcom, Spectrum Attribution Metrics, December 2013, http://stakeholders.ofcom.org.uk/binaries/consultations/spectrum-management-strategy/annexes/Spectrum_attribution_metrics.pdf.

- A2.84 In addition to progressing work on the specific bands identified in our strategy - including the 3.6-3.8GHz, 3.8-4.2GHz and 5-6GHz WiFi bands - we will continue to:
- prepare for agenda item 1.1 of WRC-15 in November 2015, which will decide which bands will gain an international allocation for mobile use (see paragraph [Q](#));
 - develop our view of future growth in mobile data demand. We will also consider further what the implications of this demand might be for future changes in spectrum use and/or sharing. We will publish our latest thinking on mobile data demand by Q2 2015/16; and
 - develop our understanding of emerging technological developments and their implications for spectrum use.
- A2.85 Although the next generation of mobile technologies (5G) is still at a relatively early stage of development, we will develop our understanding of the potential spectrum requirements for these technologies over the coming year. While some bands below 6GHz, which we have already identified in our strategy, may be suitable for future 5G services, there is also likely to be demand for bands above 6GHz for 5G services.

Potential spectrum requirements for the Internet of Things

- A2.86 In our [Spectrum Management Strategy](#) we set out our broad approach to managing radio spectrum across a number of industry sectors. The Internet of Things was identified as an important area for further study, on the basis of stakeholder engagement and our own analysis of future market size.
- A2.87 In July 2014 we published a call for inputs, in which we sought stakeholders' views on the steps required to promote investment and innovation in the Internet of Things. In particular, we asked for opinions on requirements for spectrum, network security and resilience, data privacy and the importance of international harmonisation.
- A2.88 The number and tone of the responses we received indicated that there is broad stakeholder agreement with our view that the Internet of Things will generate significant benefits to citizens and consumers across a range of industry sectors.
- A2.89 Our assessment is that there will be sufficient spectrum available in the next five years to support growth and innovation in the Internet of Things. During 2015/16, we will continue to monitor whether spectrum access will be a constraining factor in the longer-term development of the Internet of Things.
- A2.90 During 2015/16 we will continue to explore ways in which spectrum can be made available to Internet of Things devices. We will also work with industry, Government and other relevant bodies to investigate approaches to providing secure and resilient access to Internet of Things networks and personal data.

Develop a space and science spectrum strategy

- A2.91 In order to ensure efficient use of relevant spectrum, we will carry out a review of the space and science sector spectrum use next year. We will develop forecasts to improve our understanding of likely future demand by application and by band, the international implications of growth in demand and how these will affect the sector's future needs for spectrum.

Implement plan on radio frequency performance

- A2.92 Recent experience has highlighted the problems caused by devices with poor filtering of radio frequency (RF) emissions outside of the frequencies at which they are licensed to operate, or whose receivers 'listen' to RF signals outside their designated frequencies.
- A2.93 The resulting risk for interference complicates the task of making spectrum available to new uses in adjacent frequency bands. The cost of fixing these problems can be significant.
- A2.94 As part of our [Spectrum Management Strategy](#) we are investigating ways in which we can limit future challenges of this nature through, among other things, engagement in the RF performance standards-setting process.
- A2.95 Over the next year we expect to establish a framework for doing this, and to act on a small number of specific cases. We will also work on the implementation of the new Radio Equipment Directive, which brings a wider range of receiver performance issues within the scope of the European regulatory framework.

Strategic purpose 5: maintain audience confidence in broadcast content

Maintain audience confidence in broadcast content

- Complete our review of music formats regulation on radio
- Complete our review of the EPG code
- Develop plans for the implementation and licensing of small-scale DAB

Complete our review of music formats regulation on radio

- A2.96 In the 2014/15 Annual Plan we said we would aim to consult on a revised framework for regulating the music played by local commercial radio, which could be in place by summer 2014. In order to ensure that this consultation addresses all the relevant issues and takes account of all necessary views and evidence, we published a call for inputs in May 2014. We aim to publish a consultation in January 2015.
- A2.97 In considering whether to change how we regulate the music played by local commercial radio stations, we will aim to strike a balance between our statutory duty to secure diversity for listeners while encouraging competition and giving stations the flexibility to adapt to changing consumer tastes.
- A2.98 We expect to publish our final statement during Q1 2015/16.

Complete our review of the EPG code

- A2.99 Ofcom is required to publish a code of practice to be followed by providers of electronic programme guides (EPGs) including the granting of prominence to public service channels. The existing code was published in 2003. We have considered the extent to which the code is capable of achieving the objectives of the

prominence regime. In light of this, Ofcom has decided that it is appropriate to review the code.

- A2.100 We plan to issue a consultation in early 2015, setting out new proposals for the securing of prominence for public service channels. Following consultation, we expect to publish a new code.

Develop plans for the implementation and licensing of small-scale DAB

- A2.101 Ofcom supported a trial of low-cost DAB technology in Brighton between September 2012 and January 2013. This trial successfully demonstrated an alternative approach to DAB broadcasting, relying on 'software defined' techniques: software running on low-cost and readily-available computer equipment is used instead of using bespoke broadcasting equipment or 'hardware'.
- A2.102 Although the equipment used in Brighton was very much in prototype form, it served to prove that the concept of much lower-cost DAB transmission is feasible, and this could potentially offer a path to the DAB platform for smaller stations.
- A2.103 At the Go Digital conference in December 2013, the Government announced that it would like to make progress in finding methods that would enable smaller stations to have a route to broadcasting on DAB. This included providing funding to Ofcom over two years to build on the work of the Brighton trial. Ofcom has now commenced a programme of work comprising both technical development of the software-defined system and work on an appropriate licensing framework.
- A2.104 A consultation on our approach to licensing short term small scale multiplexes for the purposes of a technical trial was published in October 2014. The concluding statement will be published in Q4 2014/15. At the same time we plan to invite applications for trial licences, which we anticipate will be awarded in Q1 2015/16, with the trial multiplexes launching in summer 2015. The trials will run until early Q1 2015/16, with Ofcom's final report to DCMS due in mid-2016 once the trials have concluded. Any recommendations relating to a licensing framework will form part of that report.

Strategic purpose 6: contribute to and implement public policy defined by Parliament

Contribute to and implement public policy defined by Parliament

- Complete Ofcom's review of public service broadcasting
- Respond as appropriate to changes in the devolution of powers to national governments
- Publish an update to the 2014 report on the state of UK communications infrastructure
- Develop a framework for measuring media plurality
- Engage with Government on the potential implementation of a common framework for media standards
- Engage with the legislative programme of the new European Commission

Complete Ofcom's review of public service broadcasting

A2.105 Ofcom is required by Parliament to conduct reviews of public service broadcasting (PSB). Ofcom's duties in conducting these reviews are:

- to review the extent to which the public service broadcasters have delivered the purposes of PSB;
- to report on PSB with a view to maintaining and strengthening its quality in the future; and
- to review the extent to which material included in media services has contributed towards the fulfilment of public service objectives.

A2.106 Under this item we also include our work relating to our legislative duty to conduct a review of Channel 4 Corporation's delivery of its media content duties.

A2.107 In December 2014 we published a consultation setting out our provisional findings on the performance of the PSB system across the UK as a whole, and in each of the UK's nations individually. This highlighted the changes that have taken place in the public service broadcasting sector since 2008, based on Ofcom's substantial data and research base. It also included new qualitative and quantitative audience research commissioned for this review.

A2.108 In our consultation, we discussed ways in which the PSB system might be maintained and strengthened, such as securing the availability and discoverability of PSB content, the relationship between the PSBs and the independent production sector and the role of PSB portfolio channels.

A2.109 This consultation will close in February 2015. We plan to publish a final statement, setting out our findings in relation to public service broadcasting, and any proposals or recommendations, in mid-2015.

Respond as appropriate to changes in the devolution of powers to national governments

A2.110 At the end of October 2014, Ofcom responded to the Smith Commission's invitation to contribute to its deliberations on recommendations for further devolution to the Scottish Parliament.

- A2.111 In our response to the Smith Commission, we outlined the current statutory arrangements, which seek to ensure that the views and interests of citizens and consumers in Scotland (and other UK nations) are reflected in our decisions and recommendations. We also detailed the additional arrangements in place which go beyond those required by law, including the establishment of the Nations' Committee as a sub-committee of the main Ofcom Board. The response also noted our research programme covering the availability, access to and use of the main communications platforms in each of the UK's nations.
- A2.112 In 2015/16, we will continue to respond as appropriate to any changes in the devolution of powers to national governments and legislatures as they affect communications sectors. We note that the Smith Commission made a number of recommendations relating to Ofcom's work and we will work with the UK Government on their implementation.

Publish an update to the 2014 report on the state of UK communications infrastructure

- A2.113 Under the Communications Act 2003 and Digital Economy Act 2010 we are required to prepare a report every three years on the UK's electronic communications networks and services. The report looks at coverage, performance and capacity of networks and services, use of spectrum, infrastructure sharing and security and resilience across the UK's nations. The main networks considered are the fixed broadband and telephony networks, mobile voice and data networks, WiFi, broadcast and radio networks.
- A2.114 Our first *Infrastructure Report* was published in November 2011 and the [second](#) in December 2014. In the intervening years we have published annual updates, focusing on areas that are changing most rapidly, such as the coverage and capacity of fixed, mobile and broadcast networks. In 2015 we plan to publish another annual update.

Develop a framework for measuring media plurality

- A2.115 Media plurality contributes to a well-functioning democratic society by ensuring a diversity of viewpoints and by preventing any one media owner from having too much influence over public opinion and the political agenda.
- A2.116 In September 2014, the Secretary of State for Culture Media & Sport asked Ofcom to develop a measurement framework for media plurality. This follows the conclusions of a DCMS consultation on media ownership and plurality, which established the scope of this framework.
- A2.117 We plan to comply with the Secretary of State's request by building on our previous work in this area where relevant. We will also seek to develop a measurement framework for media plurality that is capable of illustrating the situation in each of the nations, as well as in the UK as a whole.
- A2.118 In October 2014 we published a call for inputs to gather early stakeholder views on the indicators that the framework should include (these must be capable of illustrating the situation at UK-level and in each of the nations). We will consult on a set of proposed indicators in Q1 2015/16. We expect to reach conclusions and provide the measurement framework to the Secretary of State during summer 2015.

Engage with Government on the potential implementation of a common framework for media standards

- A2.119 The Government's *Connectivity, Content and Consumers* policy paper asked industry and regulators to work together on a voluntary basis to develop a more consistent approach to media standards and to ensure that consumers understand which content is regulated and which is not. Ofcom was asked in February 2014 by the former Secretary of State to 'kick-start' this work.
- A2.120 We will continue to engage with the Government, industry and media regulators to develop a more consistent approach to audience protection across media.
- A2.121 This work will also link to our continuing contribution to debates on audio-visual media regulation. Ofcom is a member of the European Regulators Group for Audiovisual (ERGA), a new formal expert advisory group of AV regulators in the EU Member States. The group will advise the Commission on the consistent implementation of the AVMS Directive and exchange good practice, in the run-up to a possible review of the Directive.
- A2.122 Ofcom is leading the group in reviewing whether the scope of the Directive remains fit for purpose and we will provide a significant contribution to the discussion on jurisdiction and the protection of minors under the AVMS Directive.

Engage with the legislative programme of the new European Commission

- A2.123 Legislative negotiations on elements of the European Commission's Connected Continent legislative package are ongoing and it is not yet known whether, or when, a final text will be adopted. Ofcom will continue to provide technical support to the UK Government, during the negotiations and subsequently, in relation to the implementation of any new rules.
- A2.124 The new Commission (which took office in November 2014) is expected to present "ambitious legislative steps"²⁵ relevant to our sector by the middle of 2015. Over the coming 18 months, we might reasonably expect new legislative proposals relating to:
- a revision of the European Regulatory Framework;
 - a revision of the Audiovisual Media Services Directive;
 - copyright and intellectual property rights more generally; and
 - modernised and simplified consumer rules for online and digital purchases.
- A2.125 Ofcom will remain engaged with these European policy debates, with its counterparts in other Member States, through BEREC.
- A2.126 We will also continue to provide support to the Government in relation to any legislative negotiations that might take place on issues relevant to the areas we regulate.

²⁵ See http://ec.europa.eu/about/juncker-commission/priorities/02/index_en.htm.

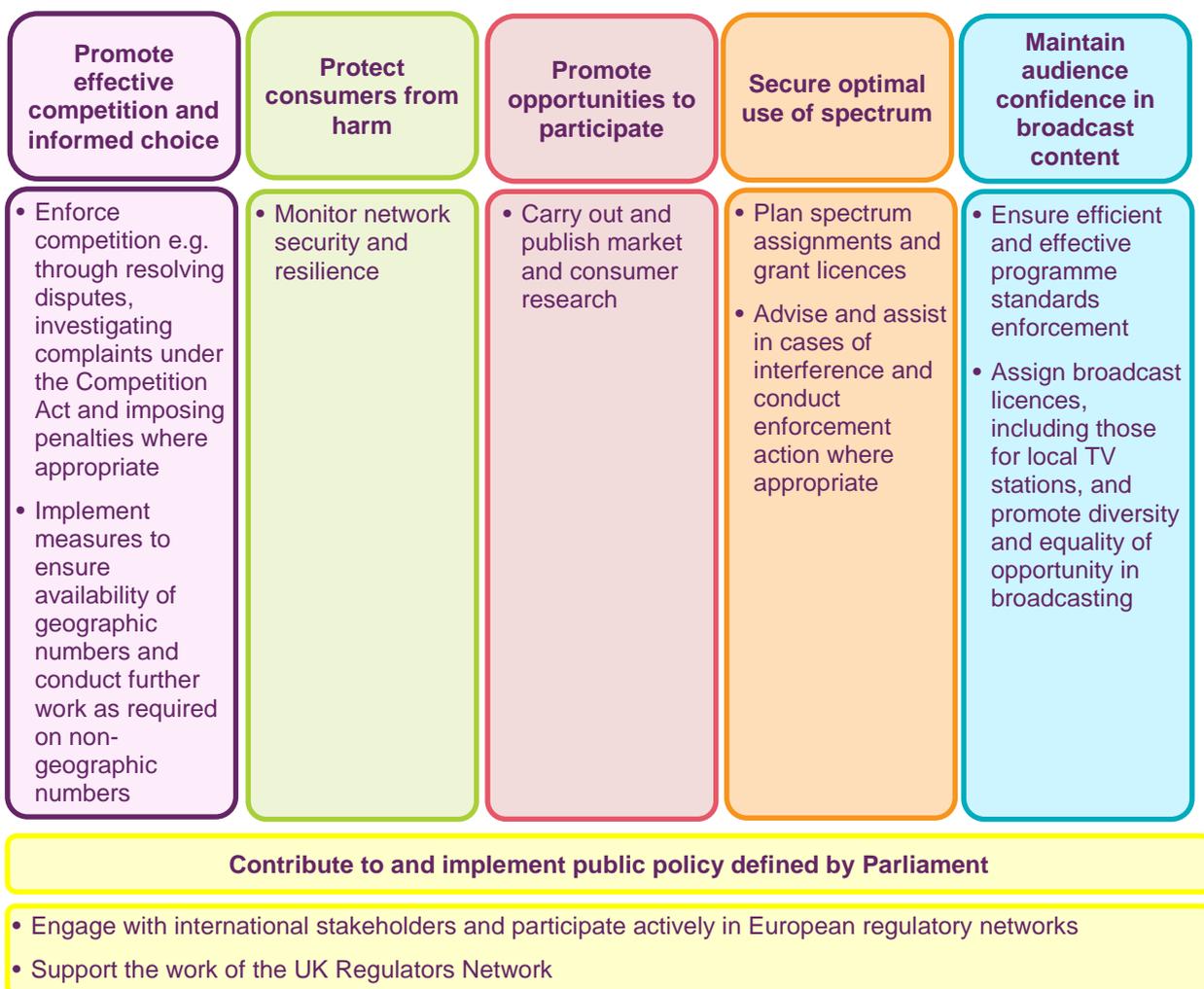
Annex 3

Ofcom’s programmatic work and services to stakeholders

We undertake a number of essential services for consumers and other stakeholders

A3.1 Our ongoing programmatic work, set out below, is also an important part of fulfilling our duties.

Figure 7 – Table of programmatic work areas for 2015/16



Strategic purpose 1: promote effective competition and informed choice

Enforce competition e.g. through resolving disputes, investigating complaints under the Competition Act and imposing penalties where necessary

- A3.2 We have duties to resolve disputes between stakeholders when they are brought to us. These duties relate to alleged breaches of regulatory conditions or other issues concerning the conduct of communications providers. We investigate and act to resolve such disputes.
- A3.3 We also open investigations into potential breaches of regulatory conditions, either in response to a complaint or on our own initiative. An example of the latter is our ongoing investigation into operators' provision of location information for calls to the emergency services.
- A3.4 For more information, our [Dispute Resolution Guidelines](#) set out how we consider regulatory disputes. In addition, our [Enforcement Guidelines](#) cover how we handle complaints concerning regulatory rules, as well as complaints under competition law. [Chapter 5](#) of this document sets out our separate work under the Competition Act (1998).

Implement measures to ensure the availability of geographic numbers and conduct further work as required on non-geographic numbers

Geographic numbers

- A3.5 We have a duty to allocate geographic telephone numbers (fixed-line telephone numbers that begin with '01' and '02') to communications providers, which they can then issue to consumers.
- A3.6 We conduct work to ensure that these are used efficiently in order to minimise the need for disruptive and costly measures to address any shortages of new numbers. Doing so minimises the risk that shortages of new numbers will raise barriers to market entry and diminish competition.

Non-geographic numbers

- A3.7 The next phase of our review of non-geographic numbers (see paragraph [A1.20](#) for plans relating to the current phase) is to focus on the 070 and 076 number ranges.
- A3.8 These ranges are used to support personal numbering and radio-paging services. We are concerned that consumers may confuse these numbers with 07 mobile numbers. We will investigate this further and aim to consult in due course.

Strategic purpose 2: protect consumers from harm

Monitor network security and resilience

- A3.9 In August 2014 we published new [guidance](#) for communications providers on complying with Communications Act provisions on network security and resilience. This guidance will drive our work in 2015/16, introducing new thresholds and procedures for operator reporting of outages and we will continue to work with communications providers to ensure they embed these changes.

- A3.10 We will provide an annual summary of the reports we receive to the European Commission and include a summary and analysis in relevant Ofcom publications such as the *Infrastructure Report Update 2015*. We will also follow up on any incidents of concern in order to understand their cause, the appropriateness of the operator's response, and the steps that have been taken to minimise the risk of recurrence.
- A3.11 In the August 2014 guidance we also set out our plans for extending our security and resilience activity to smaller providers of fixed and mobile services. In 2015/16 we will engage with these operators, via industry groups where appropriate, to ensure the guidance is adopted in a proportionate way.

Strategic purpose 3: promote opportunities to participate

Carry out and publish market and consumer research

- A3.12 We undertake a broad programme of research into communications markets and consumer preferences and behaviour, which helps inform how we meet our wider duties.
- A3.13 Our annual research reports include the *Communications Market Report*, *International Communications Market Report*, and the *Consumer Experience Report*.

Strategic purpose 4: secure optimal use of spectrum

Plan spectrum assignments and grant licences

- A3.14 Ofcom regulates the use of radiocommunications apparatus, either through licensing or via specific licence exemptions. This allows us to separate users of spectrum by geography, time and frequency of use.
- A3.15 We endeavour to deliver these services in the most efficient and effective way possible, in order to minimise licence revocations and unauthorised spectrum use. This includes initiatives around e-licensing. For more information on our plans to simplify spectrum licensing, see paragraph [A4.36](#).

Advise and assist in cases of interference and conduct enforcement action where appropriate

- A3.16 As demand for and use of spectrum increases, the risk that users will experience harmful interference also increases. We provide advice and assistance to help prevent harmful interference and mitigate it where it occurs.
- A3.17 Our Spectrum Engineering and Enforcement Team handles around 2,000 cases per year, in order to:
- protect safety-of-life communications, such as emergency services and air traffic control communications;
 - prevent illegal or unauthorised use of spectrum;

- enable legitimate spectrum use, for example by facilitating the trading of spectrum licences and by providing advice and assistance to spectrum users; and
- identify non-complaint equipment and prevent its sale.

A3.18 Illegal broadcast stations, otherwise known as ‘pirates’, cause significant harmful interference and are committing a serious criminal offence. Our Spectrum Engineering and Enforcement Team works in collaboration with affected stakeholders, such as local authorities, to deny pirates access to sites upon which they rely, and facilitates the issue of injunctions against persistent offenders.

A3.19 Following the success of our proactive inspection regime for certain licensed products such as business radio, we intend to broaden this regime to cover other licensed products, such as fixed links.

A3.20 Finally, we aim to implement a forthcoming Statutory Instrument under the Wireless Telegraphy Act²⁶ to update and augment our powers to address instances of harmful interference caused by electrical and electronic apparatus.

Strategic purpose 5: maintain audience confidence in broadcast content

Ensure efficient and effective programme standards enforcement

A3.21 Members of the public can complain to us directly about broadcast content on TV and radio programmes. Audience complaints play an important role in ensuring that viewers and listeners are protected appropriately.

A3.22 Ofcom considers all of the complaints it receives against the Broadcasting Code, which covers matters including: the protection of under-18s; harm and offence; crime (including extremist views); religion; impartiality and accuracy in news; fairness and privacy; and commercial references in TV and radio.

A3.23 We do not consider complaints relating to BBC programming where they concern impartiality, accuracy or references to brands, as these fall within the remit of the BBC Trust.

Assign broadcast licences, including those for local TV stations, and promote diversity and equality of opportunity in broadcasting

A3.24 We invite applications for and award local digital television service (L-DTPS) licences for local TV stations. Five local TV stations have started broadcasting since legislation was passed in 2011 enabling us to grant licences.

A3.25 We have a duty to require broadcasters to ensure that they put in place arrangements for the promotion of equal opportunities in employments and to publish observations on this annually. We monitor broadcasters’ compliance with their duties and we are developing an updated toolkit on best practice to provide guidance for smaller broadcasters on their obligations. We also work closely with the Creative Diversity Network (CDN) and we are providing it with technical support as it implements its diversity monitoring system.

²⁶ Wireless Telegraphy (Control of Interference from Apparatus) Regulations 2015.

- A3.26 We have a duty to consider the degree to which public service broadcasting meets the objective of providing “a sufficient quantity of programmes that reflect the lives and concerns of different communities and cultural interests and traditions within the United Kingdom, and locally in different parts of the United Kingdom”. Our review of public service broadcasting will consider the degree to which public service broadcasting has fulfilled this objective.

Strategic purpose 6: contribute to and implement public policy defined by Parliament

Engage with international stakeholders and participate actively in European regulatory networks

- A3.27 We engage with a range of European and other international stakeholders in communications regulation, in order to influence policymaking in the UK interest.
- A3.28 We actively participate within European regulatory networks including the Body of European Regulators for Electronic Communications (BEREC), the European Platform of Regulatory Authorities (EPRA), the European Regulators Group for Audiovisual Media Services (ERGA) and the European Regulators Group for Postal Services (ERGP). We are also active within the Radio Spectrum Policy Group (RSPG), which advises the European Commission on spectrum policy-making.
- A3.29 Ofcom is also required to represent UK interests under Ministerial Direction in the spectrum committees of the International Telecommunications Union (ITU), the European Conference of Postal and Telecommunications Administrations (CEPT) and other regulatory networks.
- A3.30 A key part of our international work is preparing for and leading the UK delegation to the World Radiocommunications Conference. This is discussed at paragraph [Q](#).

Support the work of the UK Regulators Network

- A3.31 In March 2014, the UK's main economic regulators announced that they would form a UK Regulators' Network (UKRN). The aim of the UKRN is to ensure effective collaboration between sectors; its approach is to explain and take account of the differences between sectors, while maximising coherence and shared approaches in the interests of consumers and the economy.
- A3.32 The UKRN's work to date has focused on eight different workstreams. Ofcom has led the workstream on resilience, innovation in infrastructure, and regulating for quality, and Ofcom has also contributed to the workstreams led by other regulators. The UKRN's 2015/16 annual plan will be agreed in conjunction with other member regulators by spring 2015, following public consultation. This process will consider the case for further developing existing workstreams, and the case for undertaking new areas of work.

Corporate and social responsibility

- A3.33 Ofcom is committed to being a responsible employer and to managing its impact on the wider community. By embedding our corporate responsibility programme across our organisation we are more effective both as the communications regulator and as an employer.

A3.34 Our corporate responsibility objectives are to:

- treat all colleagues with dignity and respect in an inclusive and fair working environment, promoting equality of opportunity for all;
- to reduce our carbon footprint, provide value for money and ensure that Ofcom's practices are environmentally sustainable; and
- to engage, inspire and develop colleagues while proactively seeking to support our local community.

A3.35 Under the Equality Act 2010 we have published our Single Equality Scheme (SES), which covers the protected characteristics of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, marriage and civil partnership, and sexual orientation. First published in 2009, the SES brings together and strengthens Ofcom's commitments to diversity and equality.

A3.36 In October 2014 we consulted on our refreshed Single Equality Scheme (SES) and published it in December 2014. The refreshed SES sets out our key achievements in enhancing diversity and equality at Ofcom since the last time we updated it in 2011. It also includes an action plan detailing our objectives and intentions for the future.

A3.37 The three overarching objectives of the Scheme are:

- to have a diverse group of people at all levels of the organisation;
- to consider the different needs and interests of all individuals and stakeholders when carrying out our work; and
- to create a culture where everyone's contribution is valued on its merits.

A3.38 In 2014/15 we made further progress against achieving these objectives:

- we published our equal pay audit, which showed that there was no gender bias in the salaries we pay;
- we implemented an applicant tracking system, which will enable us to monitor the diversity of job applicants from initial enquiry stage to job offer;
- we refreshed and updated our diversity e-learning module, which all colleagues are required to complete and refresh every three years;
- we signed the Government Equalities Office's 'Think, Act, Report' campaign. This initiative encourages organisations to identify issues that they have identified concerning gender equality, take action to remedy those issues, and report on their progress;
- we have supported the Creativity Diversity Network on their Diversity Monitoring System, a standardised cross-industry monitoring tool;
- we sponsored the Institution of Electrical Engineering's 'Young Female Engineer of the Year' award for the third year in a row;

- we signed the Technology Taskforce Accessible Technology Charter to help guide our commitment to accessibility in technology; and
- we conducted a mental health check to review and analyse our policies and approach to mental health, after signing the 'Time to Change' pledge.

A3.39 Since 2012 we have published an annual report on the diversity profile of colleagues, under our duties in the Equality Act 2010. The findings of this report help inform our ongoing work to promote equality and diversity within Ofcom.

A3.40 We also carry out regular benchmarking to ensure that we operate in line with equality and diversity best practice. In 2014 we were:

- named again as one of the Times Top 50 Employers for Women;
- awarded an improved score in the Stonewall Workplace Equality Index;
- rated a top 10 public sector employer in Business in the Community's gender and race equality indexes; and
- commended for our work in being a 'disability smart' organisation: we achieved a Bronze Award in the Business Disability Forum benchmarking.

Annex 4

Reducing the burdens and complexity of regulation

- A4.1 Under the Communications Act 2003, Ofcom is required to minimise the burden it places on the companies it regulates. The Act requires us to keep regulation under review to ensure it does not bring about (a) the imposition of burdens that are unnecessary; or (b) the maintenance of burdens that have become unnecessary. Ofcom is required to remove or reduce unnecessary burdens where it finds them.
- A4.2 We have reviewed Ofcom's activities with the aim of identifying areas where we may be able to reduce burdens through removing or simplifying regulation. We undertake this using a number of methods, including:
- removing regulation where it is no longer necessary;
 - reducing complexity, thereby providing clarity and regulatory certainty to stakeholders and markets; and
 - making the information we produce and services we offer easily available and accessible.
- A4.3 This chapter reports on deregulatory initiatives that have taken place over the past year, as well as future areas for review.

Removing regulation where it is no longer necessary

We have removed *ex ante* regulation in some areas of the fixed access market

- A4.4 In June 2014 we published the final statement of our fixed access market review (FAMR), which covers the access connections used to provide fixed telephone and broadband internet services (including superfast broadband) to residential and business consumers.
- A4.5 We imposed remedies on BT and KCOM where we determined they had significant market power in certain markets, while also removing regulation where it was no longer necessary. In particular, we removed *ex ante* regulation in the following markets, where we considered that *ex post* competition law is sufficient to address competition concerns that might arise:
- fixed analogue exchange lines in the Hull area, consistent with our conclusion in the 2013 narrowband statement;
 - ISDN2 in the Hull area; and
 - ISDN30 in the Hull area.

We continue to explore opportunities for de-regulation in telecoms markets as part of our market reviews

- A4.6 In April 2014 we published an initial call for inputs which announced the start of the business connectivity market review (BCMR) 2016. This review will cover the market for leased lines, which are high-performance data transmission services used mostly by large businesses. We intend to consult on our initial findings and proposals in spring 2015 and will look for opportunities to de-regulate where appropriate.
- A4.7 Further information on our approach to the BCMR can be found in paragraph [A1.11](#).

We have reduced regulation relating to telecoms providers' metering and billing obligations

- A4.8 We have completed a review of the Metering and Billing Direction, which ensures that communications providers' billing systems meet certain technical standards for accuracy. The Direction applies to those fixed and mobile voice service providers with an annual turnover of over £40m. Such providers must have their metering and billing systems approved by an Ofcom-appointed third party against the requirements set out in the Direction. They must also meet monitoring and reporting obligations.
- A4.9 Following consultation, we published a statement setting out a new Direction in July 2014. The Direction removes some target-based rules contained in the previous Direction but retains the more process-based rules. This should ensure general accuracy of billing, so that providers do not have to meet differing billing requirements. It also introduces a consistent approach across residential, small and large business customers and wholesale services.

We will complete our review of the regulation of radio music formats

- A4.10 In recent years, internet services and digital radio have provided radio listeners with diverse new sources of music content.
- A4.11 Ofcom looks to strike a balance between giving the radio industry freedom to adapt to changing consumer tastes and encouraging competition while being mindful of our statutory duty to ensure that a wide range of radio programmes are provided, appealing to a range of tastes and interests.
- A4.12 In January 2015 we will publish a consultation which considers whether the way in which we regulate the choice of music played by local analogue commercial radio services is still an appropriate way to secure our statutory duties in this area. Further information on this review can be found in paragraph [A2.97](#).

We continue to simplify the detailed technical regulations which affect broadcasters

- A4.13 In last year's Annual Plan we highlighted that technical regulation remains a significant area that may be unnecessarily prescriptive.
- A4.14 To address this we updated and amended our Broadcast Digital Radio Technical Codes and Guidance in our July 2014 statement. We took account of technical developments and changes in industry practices and took steps to deregulate where appropriate. The revised Code and associated documents provide clarity and

certainty for existing operators, applicants for the new national DAB multiplex licence and any potential future entrants to the market.

- A4.15 We also propose to update our TV Technical Performance Code and DTT Reference Parameters. We want to ensure that our regulation reflects the current technical environment: for example by providing clarity on technical fault reporting procedures and removing requirements that are no longer necessary. We will consult in early 2015, consider stakeholders' views and issue a statement in mid-2015.
- A4.16 Following this, we will look to review technical regulation on analogue radio, considering opportunities to de-regulate where appropriate.

Reducing complexity: providing clarity and regulatory certainty

We have proposed new regulations for wholesale mobile call termination

- A4.17 In June 2014 we published our consultation on the mobile call termination (MCT) market review. We plan to conclude this review by March 2015 and to enact any new regulation in April 2015.
- A4.18 MCT is a wholesale service provided by a mobile communications provider to connect a call to a recipient on its network. When fixed or mobile communications providers enable their customers to call a UK mobile number, they pay the terminating mobile provider a wholesale charge, called a 'mobile termination rate' (MTR). These rates are set on a per-minute basis and are currently regulated.
- A4.19 The pricing obligations for mobile communications providers include a charge control for the four largest providers and an obligation to provide network access on "fair and reasonable" terms and conditions (including charges) for smaller mobile communications providers. Our expectation was that smaller mobile communications providers would charge MTRs no higher than the benchmark MTR, i.e. the charge-controlled MTR for the four largest mobile communications providers. The evidence suggests that this approach has not been effective in encouraging smaller providers designated with significant market power, or new entrant providers, to charge no more than the benchmark MTRs.
- A4.20 We have proposed to introduce a charge control on all providers that simplifies regulation, bringing greater clarity and regulatory certainty to the market as well as setting incentives on originating communications providers to charge the same rate for all calls to mobile numbers. In terms of compliance costs, a simple charge control of the type we envisage would not necessarily be more burdensome than the current "fair and reasonable" approach.

We will provide greater clarity concerning our rules on, and enforcement of, television advertising scheduling

- A4.21 Ofcom sets rules that restrict the number of advertising breaks that may be shown during television programmes. We propose to simplify our rules and clarify our enforcement approach, making them clearer and easier for stakeholders to follow.
- A4.22 We published our [*Scheduling of Television Advertising*](#) consultation in July 2014. We consulted on the options available to Ofcom in order to secure effective enforcement of rules on the extent to which television programmes can be interrupted by advertising. We also proposed a number of revisions to the wording

and layout of the rules to improve their clarity. We will consider stakeholders' views and expect to publish a statement in early 2015.

We will simplify non-geographic telephone charges for consumers

- A4.23 Non-geographic telephone numbers such as '0845' and '0300' numbers are generally used by consumers to access services provided by businesses, helplines and public bodies. In particular, broadcasters use non-geographic telephone numbers to allow viewers and listeners to interact with programmes, for example by voting for an outcome or participating in a phone-in.
- A4.24 From late 2015 a new tariff structure will be introduced for non-geographic calls to clarify the costs of calling businesses and services. Under the new tariff, the call's cost will be 'unbundled' so that consumers will know exactly how much is paid to their phone provider and how much is passed on to other companies.
- A4.25 Our October 2014 [consultation](#) on the use of non-geographic numbers in broadcasting set out proposals to reflect the new tariff requirements in the Broadcasting Code. We intend to publish a statement setting out any changes to the Code before the tariff changes take effect in late 2015.

We continue to review mail integrity rules

- A4.26 We continue to look at the options for improving the effectiveness of the current regulatory arrangements with respect to mail integrity. We are considering a regulatory structure that is more focused on outcomes and we currently intend to publish a consultation in spring 2015.

Availability and accessibility of information and services

We have made information about spectrum use more accessible

- A4.27 In our April 2014 spectrum management strategy [statement](#) we reaffirmed our commitment to provide more and better information on how spectrum is used in the UK. At the same time we launched an online, [interactive spectrum map](#) encompassing both civil and public sector spectrum uses.
- A4.28 The map is an easy way to browse and search for information on how different spectrum bands are used in the UK, from 8.3kHz to 275GHz. The aim is to provide a relatively simple visual representation of spectrum use. The map draws on information already available on the Ofcom website in the UK Plan for Frequency Authorisation (UK PFA) for spectrum we authorise, and the UK Frequency Allocation Table (UK FAT) for spectrum that is not authorised by Ofcom.
- A4.29 We will continue to explore opportunities to provide better information on how spectrum is used and shared. We will also work with the Government, supporting it in its aim of developing a single source of information on spectrum managed by the public sector.

We have made our *Infrastructure Report* more accessible and interactive

- A4.30 In our [Infrastructure Report 2014](#), we made efforts to release more of the underlying data and analysis in an easily accessible format. This includes data on broadband speeds and coverage, WiFi hotspots, mobile network coverage and broadcast

network coverage. We also took steps to enhance the quality of the data by making it more easily understandable.

- A4.31 We have developed an online portal containing interactive maps and infographics which visualise the data. Our data visualisations are intended to make large and often complex datasets as relevant and meaningful as possible to a wide range of users.
- A4.32 We will continue to explore opportunities to make our data more available, accessible and open to stakeholders, for example in the *Infrastructure Report Update* in autumn 2015.

We are making it easier to access information on the allocation and availability of UK telephone numbers

- A4.33 Ofcom is responsible for the administration of the UK's numbering scheme. We publish details of allocations and availability of UK telephone numbers on our website. This is currently updated on a weekly basis and provided in an Excel and .csv format.
- A4.34 In early 2015 we will launch a new online database of UK telephone numbers. This will simplify the process of applying for telephone numbers and applicants will be able to interact with the database at any time. It will also enable more efficient internal processing of applications.
- A4.35 Making our internal database available online will enhance stakeholders' ability to access consistent and accurate information with regard to the allocation, adoption and use of telephone numbers, supporting efficiency and facilitating innovation.

We will conduct a review of our approach to radiocommunications licensing

- A4.36 As part of our duty to manage the radio spectrum, Ofcom issues licences for radiocommunications users, from business radio and utilities to maritime radio users.
- A4.37 We intend to conduct a wide-ranging review of our radiocommunications licensing services in Q4 2015/16. We are looking to improve both stakeholders' experience and our efficiency.
- A4.38 We will explore ways to make the licence application process easier and more accessible for stakeholders across the range of radiocommunications licences we offer. We will look to improve our online services for users such as ships' radio and amateur radio licensees, as well as technically-assigned services and 'light' licences.
- A4.39 We will start the review in Q4 2014/15 and consult when appropriate.

Annex 5

Summary of responses to our invitation to comment

Introduction

- A5.1 In September we invited stakeholders to propose issues and areas that they considered that Ofcom should prioritise in 2015/16. We received responses from 28 stakeholders, including communications providers, private individuals, consumer interest organisations and trade bodies.
- A5.2 Stakeholders requested that Ofcom commit to undertaking work on a range of issues. They also commented on the suitability of Ofcom's strategy and on areas where we could deregulate or simplify our regulation. As we did last year, we will respond to the points that stakeholders raised in our final Annual Plan 2015/16 statement, following this consultation on the draft work programme for the next financial year.
- A5.3 We have summarised stakeholders' main points below under the strategic purpose to which they relate. We have also published all non-confidential responses on our website. Where appropriate, we have reflected stakeholders' comments to the invitation to comment in our draft work programme, taking into account our statutory duties and resource constraints.

Ensure effective competition in the provision of communications services for businesses, particularly SMEs

- A5.4 Vodafone requested that the business connectivity market review address issues concerning (it stated) the quality of service provided by Openreach in relation to Ethernet products, which are used by businesses and communications providers. In addition, it suggested that price controls should be applied in order to protect users of legacy time division multiplexing (TDM) products.
- A5.5 Several MNOs proposed that Ofcom should take action to promote competition in mobile backhaul. Vodafone and EE requested that Ofcom considers allowing communications providers regulated access to Openreach's physical network via passive remedies such as dark fibre.

Improve the process of switching providers for consumers

- A5.6 Which? stated that consumers have to pay unnecessary costs when switching providers, for example to unlock mobile handsets, and that current switching processes are too complex. It argued that Ofcom should prioritise the improvement and extension of gain provider-led (GPL) switching processes.
- A5.7 uSwitch proposed that Ofcom introduce new measures to encourage consumers to take advantage of improvements in switching processes. These included a consistent GPL switching process across consumer communications products, consistent consumer protection measures across all products, and measures to encourage consumer confidence in contract terms.

- A5.8 BT stated that consumers should be able to follow the switching processes that apply to fixed telephony on the Openreach network when they wish to switch between providers of other services, such as pay TV or mobile provider. Three stated that Ofcom should make switching MNO faster and easier and introduce GPL switching across markets by 2017.
- A5.9 Vodafone proposed that further work on switching processes (and consumer information on broadband download speeds) was unnecessary given the public availability of data that industry publishes voluntarily and of third party comparison services. It argued that consumer satisfaction with mobile number porting is improving following industry investment.
- A5.10 SSE plc argued that Ofcom should support the establishment of a forum for consumer and small business-facing communications providers to manage the shift to GPL processes, to ensure cooperation and coordination between operators.

Work to ensure fair and effective competition in broadcasting services, including our review of the 'wholesale must offer' obligation

- A5.11 BT proposed that work to secure a competitive pay TV sector, including our review of wholesale must-offer provisions, should be one of our main priorities for 2015/16.

Commence the fixed access and narrowband market reviews

- A5.12 Mr Frank Knowles, an individual, argued that Ofcom had not enabled sufficient competition or improvement to services in areas without unbundled exchanges. He stated that increases in line rental prices were enabling BT's investment in sports content and fibre rollout, but that some exchanges have seen no improvement to services since being upgraded to ADSL. He proposed that line rental customers in non-unbundled exchange areas should receive a 50% discount on line rental charges to incentivise BT to unbundle such exchanges.
- A5.13 An individual stated that BT's investments in TV sports content meant that it should be required to divest itself of Openreach.
- A5.14 Vodafone proposed that Ofcom should review BT's Undertakings in the light of changes in market conditions since the Undertakings' inception.
- A5.15 An individual stated that Ofcom should ensure that Openreach meets its service level agreements regarding faults and that effective recourse is in place if it fails to do so.
- A5.16 Another individual argued that Openreach has insufficient incentives to improve the quality of service that it offers its customers or processes for connecting non-served premises. He proposed that an independent authorising body could enable other communications providers to compete with Openreach in delivering network services.

Promote effective choice for consumers by ensuring that clear, relevant information is readily available

- A5.17 uSwitch proposed that Ofcom introduce requirements for operators to prompt consumers about the end of contracts. In addition uSwitch suggested that Ofcom should further enable the aggregation of data about retail communications services by third parties, such as mobile coverage data.

- A5.18 Which? stated that it was necessary to simplify mobile and broadband tariffs and prices to make it easier for consumers to compare offers. It argued that MNOs' handset and mobile service charges should be separated on bills. Which? also stated that operators should only be permitted to advertise download speeds that most consumers are likely to experience.
- A5.19 Three stated that Ofcom should ensure that, when Ofcom publishes data relating to operator performance, source information is comparable and that comparisons between operators are meaningful.

Other responses on competition matters

- A5.20 BT and KCOM stated that Ofcom should do more to incentivise network investment and provide greater regulatory certainty to operators. They both commented that Ofcom should ensure that regulation does not discourage the migration of customers to technologies such as fibre optic broadband.
- A5.21 Three and Vodafone argued that Ofcom should work to remove upstream bottlenecks that affect competition in some sectors and take into account strong competition in others. Vodafone suggested that Ofcom has increasingly engaged in ad hoc downstream interventions over time, while Three argued that Ofcom should seek to resolve issues facing consumers by encouraging differentiation among operators, rather than by intervening downstream.
- A5.22 BT considered that Ofcom should review competition in the mobile sector in the light of changes in market conditions and technology. In particular, it proposed that Ofcom undertake work to understand the likely impact of 5G on competition.
- A5.23 EE argued that Ofcom's approach to mobile call termination regulation should recognise the importance of promoting investment in mobile broadband networks.
- A5.24 Vodafone stated that Ofcom should understand how bundling communications services can enable operators with significant market power to leverage their market power in adjacent markets.

Implement reform of non-geographic numbering to ensure price transparency

- A5.25 Mr Peter Young and another individual stated that Ofcom should work to improve public understanding of phone number tariffs, including non-geographic number tariffs. The other individual also proposed that MNOs should be required to ensure that 0800 numbers are free to call from mobiles.

Protect consumers from harm in a range of priority areas including nuisance calls

- A5.26 An individual proposed that telecoms operators should identify calls originating outside the UK via caller ID and display only validated caller IDs.
- A5.27 Dr Sally Broughton Micova argued that Ofcom should determine what further actions operators could undertake to prevent nuisance calls. She also stated that Ofcom should investigate the viability of a kite mark programme for call blocking technologies.
- A5.28 BT urged Ofcom to take action to identify and tackle organisations responsible for nuisance calls, including via cross-border cooperation and using industry tracking methods.

Support industry and government initiatives to improve levels of trust in internet services

- A5.29 Dr Sally Broughton Micova stated that Ofcom should understand that 'harm' to consumers could include the misuse of personal data, including inappropriate use of personal data or surveillance by the authorities. She also suggested that Ofcom work with the Information Commissioner's Office and other bodies to develop policy in this area.
- A5.30 Dr Broughton Micova also stated that more work could be done to understand consumer perceptions of data protection issues and the potential harm that online commercial activity can cause to children.

Ensure consumers have access to redress for service failures and poor quality of service

- A5.31 Dr Sally Broughton Micova and another individual stated that Ofcom should continue to address consumer harm from price increases within fixed term contracts.
- A5.32 Vodafone stated that Ofcom's approach to mid-contract price increases should recognise that regulation could affect such increases directly, for example by altering market conditions or wholesale arrangements. It argued that Ofcom should balance its regulatory priorities accordingly.
- A5.33 uSwitch suggested that Ofcom should review how well the existing consumer protection provisions serve the needs of consumers of bundled services. It argued that Ofcom should ensure that consistent consumer protection is in place with regard to a full range of bundled communications products, including pay TV. Which? argued that the complexity of the pricing of communications services, including bundled products, could cause consumer harm.
- A5.34 BT stated that it is important that consumers receive equivalent protection with regard to issues such as mid-contract price rises across all of the services that they buy as part of a bundle, including pay TV services.
- A5.35 An individual proposed the establishment of a dedicated ombudsman for quicker resolution of businesses' disputes with communications providers.
- A5.36 BT proposed that Ofcom should consult on its approach to regulatory dispute resolution to help stakeholders understand its approach. In particular, it wished to better understand how Ofcom will exercise its dispute resolution powers further to the Supreme Court's judgement in the 08X dispute.

Other responses on consumer protection matters

- A5.37 Mr Peter Young, an individual, stated that Royal Mail appears to alter postal address records without adequate verification.
- A5.38 Mr J. P. Gilliver, an individual, argued that Ofcom should address issues around the locking of mobile handsets to mobile networks.
- A5.39 Three argued that Ofcom should do more to ensure that operator charges are transparent and that consumers understand them.

- A5.40 Three proposed that Ofcom should collaborate more effectively with other regulators and bodies with consumer protection responsibilities to avoid the possibility of imposing contradictory standards.

Review the factors that potentially affect the sustainability of the universal postal service

- A5.41 The Mail Competition Forum (MCF) urged Ofcom to engage with the European Regulators Group for Postal Services (ERGP) as it considers the definition of universal postal service obligations. It urged Ofcom to consult UK stakeholders on how it should secure the universal postal service in future in line with consumers' reasonable needs.
- A5.42 The MCF also stated that Ofcom should review Royal Mail's efficiency in delivering against its universal postal service obligations, state whether or not it considers Royal Mail to be an efficient operator and take steps encourage improvements in its efficiency as necessary.
- A5.43 Royal Mail argued that the current margin squeeze control does not allow it sufficient pricing flexibility. Royal Mail also argued that Ofcom's Competition Act investigation into access pricing proposals restricts its ability to use commercial tools to respond to the challenge of direct delivery. It stated that Ofcom should focus its resources on its ongoing work on access pricing and direct delivery, rather than the Competition Act investigation.
- A5.44 Mr J. P. Gilliver, an individual, stated that Ofcom should not deregulate postal services so as to undermine the provision of the universal postal service.
- A5.45 Royal Mail argued that Ofcom should consult on the Mail Integrity Code of Practice and Postal Common Operational Procedure. It proposed that Ofcom consider what minimum standards for quality of service should apply to all operators.

Promote better coverage of fixed and mobile services for residential and business customers

- A5.46 The City of London Corporation argued that Ofcom has not ensured that SMEs and larger businesses within the City of London can access sufficiently high fixed broadband download speeds, and that the costs of some services remain prohibitive.
- A5.47 The Federation of Small Businesses (FSB) called for a wider review of business connectivity, in addition to the BCMR. It also called on Ofcom to request that the CMA conduct a review of competition in the business broadband market, with the purpose of promoting the launch of new services tailored to SMEs.
- A5.48 The FSB also proposed:
- the creation of a new national broadband strategy to deliver universal connectivity throughout the UK;
 - a minimum 'service level floor' for broadband download speeds of 10Mbit/s for all UK premises to rise to 100Mbit/s by 2030; and
 - the prioritisation of the rollout of fibre to business parks and enterprise zones.

- A5.49 The City of London Corporation proposed that Ofcom should review the needs of different regions with regard to broadband infrastructure investment in 2015/16, taking into account local business demand. It stated that Ofcom should assess the degree to which exchange-only lines and inaccessible local loops restrict the provision of superfast broadband, and any impact on the UK economy.
- A5.50 Vodafone noted that Ofcom has not published annual Business Customer Experience Reports. It argued that Ofcom's focus on measures to improve consumers' experience of communications sectors did not address business customers' needs sufficiently.
- A5.51 BT argued that meeting General Conditions with regard to offering services to SMEs is complicated by the difficulty of knowing the size of some business customers.
- A5.52 Mr J. P. Gilliver, an individual, argued that Ofcom should do more to encourage fixed broadband network operators to provide services offering download speeds of 2Mbit/s or higher universally. He also emphasised the importance of encouraging greater competition between providers in all regions.
- A5.53 The City of London Corporation and South West Internet CiC argued that BT's non-disclosure of plans for future rollout hindered investment in superfast broadband by other operators. It argued Ofcom should require BT to disclose where it will not deploy fibre or sufficiently high speeds.
- A5.54 The City of London Corporation and South West Internet CiC stated that Ofcom should consider the introduction of obligations for Openreach with relation to the rollout of superfast fixed broadband.
- A5.55 South West Internet CiC stated that Ofcom's published analysis of broadband availability does not adequately reflect data relating to rural customers who receive poor broadband quality. It also argued that Ofcom should investigate the award of superfast broadband investment contracts to BT. Vodafone stated that limitations to its ability to quickly access network infrastructure make improving network coverage more difficult. It stated that MNOs pay higher rents for sites than other providers of key infrastructure. It proposed that Ofcom work with Government to introduce rights for MNOs to access network infrastructure immediately to in order perform maintenance.
- A5.56 EE stated that Ofcom should develop proposals for reforms to the Electronic Communications Code in order to make further improvements to mobile network coverage and capacity.

Other responses on participation matters

- A5.57 EE and BT stated that Ofcom should engage with the European Commission as the Commission considers the scope of the Universal Service Directive. BT and KCOM argued that Ofcom should review the suitability of UK universal service obligations to which they are subject, in particular those relating to payphone provision. Solitaire Payphones proposed that the universal service obligations concerning the provision of payphones could be met in part by the provision of indoor payphones in supervised locations.

- A5.58 BT proposed that Ofcom should lead a debate about how and when the UK should migrate from the public switched telephone network (PSTN) and, eventually, retire TDM-based voice services.
- A5.59 BT argued that sports programming should be exempt from audio description requirements.
- A5.60 Vodafone urged Ofcom to support the work of the Tinder Foundation to promote digital inclusion and engagement.

Work towards the timely release and effective award of spectrum, including the 2.3GHz, 3.4GHz and 700MHz bands

- A5.61 The Confederation of Aerial Industries (CAI) argued that releasing ultra-high frequency spectrum for mobile broadband use was not in the interests of the greatest number of spectrum users. It proposed that, where TV broadcasting is migrated, Ofcom should support the standards and specifications for receivers that the CAI would implement.
- A5.62 The British Entertainment Industry Radio Group (BEIRG) proposed that Ofcom review whether stakeholders such as MNOs could make more effective use of their current spectrum holdings, as well as the impact of data offload via unlicensed spectrum, before it allocates additional spectrum to mobile data uses.
- A5.63 Three stated that Ofcom should make a new commitment to fair and open competition in the UK spectrum market through the three spectrum sales currently being managed. It argued for the application of spectrum caps in upcoming auctions, for both total spectrum holdings and low frequency spectrum, at the same levels as Ofcom applied in the 4G auction in 2013.
- A5.64 BT urged Ofcom to ensure that the auctions of 2.3GHz and 3.4GHz spectrum do not cause wider technical problems for spectrum users.

Conclude our review of spectrum requirements for the programme-making and special events sector

- A5.65 BEIRG argued that Ofcom has not provided PMSE users and manufacturers with sufficient certainty concerning their spectrum allocations. It argued that Ofcom should publish a clearly defined spectrum strategy for PMSE users before the end of 2014, in advance of WRC-15 and the opening of the 700MHz band to mobile data uses.

Explore and implement opportunities for spectrum sharing

- A5.66 BEIRG stated that Ofcom is permitting the introduction of white space devices (WSDs) at too fast a rate and that they pose particular risks to PMSE users. It argued that Ofcom should further investigate the impact of WSDs and require users of WSDs to ensure that they do not cause harmful interference.
- A5.67 BT proposed that Ofcom should prioritise work on spectrum sharing and work to better understand coexistence challenges associated with changes in spectrum use. BT suggested that future auction designs should consider spectrum sharing approaches.

Other responses on spectrum matters

- A5.68 EE argued that Ofcom should ensure that its approach to setting annual licence fees is consistent with Government Direction and takes account of risks in setting them too high.
- A5.69 The CAI argued for the revision of planning restrictions affecting the installation of aerials and antennas, stating that an imbalance exists between regulation affecting DTT equipment and that affecting satellite equipment (which it considers to be more heavily regulated).
- A5.70 Mr J. P. Gilliver, an individual, commented that Ofcom's approach to spectrum management has not reflected the interests of some spectrum users adequately, requiring them to replace equipment.

Promote audience safety and assurance in traditional and online environments

- A5.71 An individual argued that Ofcom should reduce or eliminate sexual imagery, bad language and violence on-screen to prevent both harm to children and adults.
- A5.72 The Commercial Broadcasters Association (COBA) proposed that Ofcom consider allowing TV broadcasters to air 12- and 15-rated content before the watershed behind PIN protection, noting the availability of such content on VOD services.

Other responses on broadcast content matters

- A5.73 The *Community* TV Trust considered that local TV stations' engagement with their local communities is insufficient and that, outside news programming, they do not sufficiently reflect community views and opinion.
- A5.74 The British Heart Foundation proposed that Ofcom should prevent broadcasters from airing advertisements for high fat salt and sugar (HFSS) foods before the watershed. It argued that changes in children's viewing habits mean that current rules, which restrict HFSS advertising based on the proportion of children likely to be watching a programme, no longer offer children adequate protection.
- A5.75 The British Heart Foundation also argued that the Committee of Advertising Practice (CAP) Code should be revised to protect children from HFSS advertising online, for example in the form of promotional content.
- A5.76 The British Film Institute (BFI) proposed that it should work with Ofcom to consider how the BFI, alongside public service broadcasters, can make archived television content available more widely.
- A5.77 COBA suggested that, when Ofcom contacts broadcasters with regard to broadcast standards complaints, it should provide them with more detail about the nature of the complaints. It proposed that the Broadcast Bulletin could do more to clarify how Ofcom interprets and applies the Broadcast Code. It also suggested the establishment of a biannual forum on compliance matters for Ofcom and broadcasters, to help stakeholders understand Ofcom's priorities and Ofcom to understand industry practice.

Represent the UK's position in international negotiations to agree how to use spectrum effectively

- A5.78 BT stated that Ofcom should continue to seek to influence international spectrum management authorities and fora in the UK interest: for example the ITU, CEPT, the EC and BEREC. In particular it emphasised the importance of encouraging consistency and best practice within BEREC and EU institutions in relation to wholesale access services provisions.
- A5.79 BT encouraged Ofcom to work to ensure that any EU legislation on net neutrality is "sensible, fair and limited in scope to areas where it is necessary to protect consumers' interests". Three proposed that Ofcom should seek to ensure that any net neutrality framework allows MNOs to manage their networks efficiently.
- A5.80 BT also proposed that Ofcom work with European institutions to promote effective competition with regard to OTT service providers.

Complete Ofcom's review of public service broadcasting

- A5.81 The BFI stated that Ofcom should undertake further work to promote investment in children's first-run originations by commercial PSBs. To this end, it argued that Ofcom should examine the attractiveness of legislation and enforceable quotas.

Other responses on public policy matters

- A5.82 Dr Sally Broughton Micova stated that we should undertake work to analyse the representation of UK diversity on-screen and within stakeholder industries. Dr Broughton Micova suggested that Ofcom should examine the representation of young people and people who are lesbian, gay, bisexual or transgender on-screen.
- A5.83 COBA argued that Ofcom should prioritise work to understand the impact of the country of origin principle on the UK broadcasting sector in the light of its positive effects on investment in the UK broadcasting sector.
- A5.84 Three stated that Ofcom should prioritise work with Government and BEREC to ensure that any new measures to reduce the costs of international data roaming also limit charges that foreign networks can levy on UK MNOs for data roaming.

Comments on Ofcom's overall strategy and strategic purposes

- A5.85 Respondents broadly agreed with our view that Ofcom's strategy and strategic purposes remain appropriate.
- A5.86 BT proposed that Ofcom should add commitments to apply a consistent approach to promoting competition in all regulated sectors and to promote cross-border competition to its strategic purposes.
- A5.87 The City of London Corporation proposed that Ofcom amend its strategy statement to state that Ofcom works in the specific interests of business customers.
- A5.88 Three proposed that communications sectors would benefit from the publication of a five-year plan for Ofcom, setting out clear objectives for what the regulator wants to achieve and timescales. It stated that the Annual Plan has not offered clear objectives and timescales in the past, making it difficult for industry and policymakers to hold Ofcom to account.

- A5.89 Vodafone considered that Ofcom is insufficiently transparent about how it determines its organisational priorities. EE also proposed that Ofcom should provide more detail about the resources it allocates to particular projects.

Deregulation and simplification

- A5.90 EE, KCOM and SSE plc argued that Ofcom should review the suitability of the General Conditions in the round. Specifically, KCOM proposed that Ofcom should revise obligations relating to the provision of narrowband services in the light of the widening availability of fibre services. They also proposed that Ofcom should take account of duplication caused by the application of General Conditions to different services within retail bundles of communications services.
- A5.91 SSE plc suggested that the General Conditions should distinguish between requirements that fall on retail communications providers and those that fall on providers of infrastructure and access networks. It also stated that Ofcom should replace General Condition 14 obligations for the publication of different Codes of Practice with less prescriptive requirements.
- A5.92 Three requested that Ofcom clarify operators' complaints handling and dispute obligations under General Condition 14. Vodafone stated that the requirements of the General Conditions concerning the provision of consumer information are inconsistent and over-long. It proposed that Ofcom remove duplicate requirements and inconsistencies and review the requirements in the round.
- A5.93 Mr J. P. Gilliver, an individual, proposed that Ofcom should consider deregulating the modes of operation of low power devices.
- A5.94 BT argued that Ofcom should respond to evidence of long term decline in fixed telecoms volumes and revenues by adopting a lighter touch approach to regulation. It proposed that Ofcom could abandon complex charge control modelling for price indexing in future.
- A5.95 EE considered that Ofcom should assess the cumulative impact of regulation on competition, investment and the sectors it regulates.
- A5.96 A number of respondents argued that Ofcom should reduce the burden of responding to data requests and consultations. COBA stated that Ofcom could do more to coordinate the publication of consultations.
- A5.97 BT and Three encouraged Ofcom to review its use of statutory information requests to minimise the burden of compliance. Vodafone stated that Ofcom should consider how to alleviate the burden that falls on operators in compiling responses to calls for input using sensitive consumer data.

General comments

- A5.98 Three recommended that Ofcom should meet and engage with operators more often, enabling industry to engage in problem-solving outside the formal consultation process.
- A5.99 Mr J. P. Gilliver also proposed that Ofcom could raise public awareness of its work via advertising.

Annex 6

Responding to this consultation

How to respond

- A6.1 Ofcom invites written views and comments on the issues raised in this document, to be made **by 5pm on 26th February 2014**.
- A6.2 Ofcom strongly prefers to receive responses using the online web form at <http://stakeholders.ofcom.org.uk/consultations/draft-ann-plan-15-16/howtorespond/form>, as this helps us to process the responses quickly and efficiently. We would also be grateful if you could assist us by completing a response cover sheet (see Annex 8), to indicate whether or not there are confidentiality issues. This response coversheet is incorporated into the online web form questionnaire.
- A6.3 For larger consultation responses - particularly those with supporting charts, tables or other data - please email annualplan@ofcom.org.uk attaching your response in Microsoft Word format, together with a consultation response coversheet.
- A6.4 Responses may alternatively be posted or faxed to the address below, marked with the title of the consultation.
- Annual Plan Team
Strategy, 3rd Floor
Riverside House
2A Southwark Bridge Road
London SE1 9HA
- Fax: 020 7981 3333
- A6.5 Note that we do not need a hard copy in addition to an electronic version. Ofcom will acknowledge receipt of responses if they are submitted using the online web form but not otherwise.

Further information

- A6.6 If you want to discuss the issues and questions raised in this consultation, or need advice on the appropriate form of response, please contact Sasha Magill on 020 7981 4246.

Confidentiality

- A6.7 We believe it is important for everyone interested in an issue to see the views expressed by consultation respondents. We will therefore usually publish all responses on our website, www.ofcom.org.uk. If you think your response should be kept confidential, can you please specify what part or whether all of your response should be kept confidential, and specify why. Please also place such parts in a separate annex.
- A6.8 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and will try to respect this. But sometimes we will need to publish

all responses, including those that are marked as confidential, in order to meet legal obligations.

- A6.9 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's approach on intellectual property rights is explained further on its website at <http://www.ofcom.org.uk/terms-of-use/>

Next steps

- A6.10 Following the end of the consultation period, Ofcom intends to publish a statement in March 2015.
- A6.11 Please note that you can register to receive free mail Updates alerting you to the publications of relevant Ofcom documents. For more details please see: <http://www.ofcom.org.uk/email-updates/>

Ofcom's consultation processes

- A6.12 Ofcom seeks to ensure that responding to a consultation is easy as possible. For more information please see our consultation principles in Annex 7.
- A6.13 If you have any comments or suggestions on how Ofcom conducts its consultations, please call our consultation helpdesk on 020 7981 3003 or e-mail us at consult@ofcom.org.uk . We would particularly welcome thoughts on how Ofcom could more effectively seek the views of those groups or individuals, such as small businesses or particular types of residential consumers, who are less likely to give their opinions through a formal consultation.
- A6.14 If you would like to discuss these issues or Ofcom's consultation processes more generally you can alternatively contact Graham Howell, Secretary to the Corporation, who is Ofcom's consultation champion:

Graham Howell
Ofcom
Riverside House
2a Southwark Bridge Road
London SE1 9HA

Tel: 020 7981 3601

Email Graham.Howell@ofcom.org.uk

Annex 7

Ofcom's consultation principles

A7.1 Ofcom has published the following seven principles that it will follow for each public written consultation:

Before the consultation

A7.2 Where possible, we will hold informal talks with people and organisations before announcing a big consultation to find out whether we are thinking in the right direction. If we do not have enough time to do this, we will hold an open meeting to explain our proposals shortly after announcing the consultation.

During the consultation

A7.3 We will be clear about who we are consulting, why, on what questions and for how long.

A7.4 We will make the consultation document as short and simple as possible with a summary of no more than two pages. We will try to make it as easy as possible to give us a written response. If the consultation is complicated, we may provide a shortened Plain English Guide for smaller organisations or individuals who would otherwise not be able to spare the time to share their views.

A7.5 We will consult for up to 10 weeks depending on the potential impact of our proposals.

A7.6 A person within Ofcom will be in charge of making sure we follow our own guidelines and reach out to the largest number of people and organisations interested in the outcome of our decisions. Ofcom's 'Consultation Champion' will also be the main person to contact with views on the way we run our consultations.

A7.7 If we are not able to follow one of these principles, we will explain why.

After the consultation

A7.8 We think it is important for everyone interested in an issue to see the views of others during a consultation. We would usually publish all the responses we have received on our website. In our statement, we will give reasons for our decisions and will give an account of how the views of those concerned helped shape those decisions.

Annex 8

Consultation response cover sheet

- A8.1 In the interests of transparency and good regulatory practice, we will publish all consultation responses in full on our website, www.ofcom.org.uk.
- A8.2 We have produced a coversheet for responses (see below) and would be very grateful if you could send one with your response (this is incorporated into the online web form if you respond in this way). This will speed up our processing of responses, and help to maintain confidentiality where appropriate.
- A8.3 The quality of consultation can be enhanced by publishing responses before the consultation period closes. In particular, this can help those individuals and organisations with limited resources or familiarity with the issues to respond in a more informed way. Therefore Ofcom would encourage respondents to complete their coversheet in a way that allows Ofcom to publish their responses upon receipt, rather than waiting until the consultation period has ended.
- A8.4 We strongly prefer to receive responses via the online web form which incorporates the coversheet. If you are responding via email, post or fax you can download an electronic copy of this coversheet in Word or RTF format from the 'Consultations' section of our website at <http://stakeholders.ofcom.org.uk/consultations/consultation-response-coversheet/>.
- A8.5 Please put any parts of your response you consider should be kept confidential in a separate annex to your response and include your reasons why this part of your response should not be published. This can include information such as your personal background and experience. If you want your name, address, other contact details, or job title to remain confidential, please provide them in your cover sheet only, so that we don't have to edit your response.

Cover sheet for response to an Ofcom consultation

BASIC DETAILS

Consultation title:

To (Ofcom contact):

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

CONFIDENTIALITY

Please tick below what part of your response you consider is confidential, giving your reasons why

Nothing	<input type="checkbox"/>	Name/contact details/job title	<input type="checkbox"/>
Whole response	<input type="checkbox"/>	Organisation	<input type="checkbox"/>
Part of the response	<input type="checkbox"/>	If there is no separate annex, which parts?	

If you want part of your response, your name or your organisation not to be published, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response that Ofcom can publish. However, in supplying this response, I understand that Ofcom may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.

Ofcom seeks to publish responses on receipt. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

Name

Signed (if hard copy)