



# Introduction to Ofcom

**Updated May 2012**



Ofcom was established in 2003, merging 5 previous regulators:



And from  
October 2011...



# The Genesis of Ofcom



**July 1996**  
IPPR  
first  
proposes  
Ofcom

**May 1997**  
Labour  
Government

**December 2000**  
White paper –  
'A new future for  
communications'

**June 2001**  
Office of  
Communications  
Bill enters  
Parliament

**March 2002**  
Ofcom Act marks  
beginning  
of Ofcom start-up  
phase

**Summer 2002**  
The 'Putnam  
Committee'

**November 2002**  
Communications Bill  
enters Parliament

**July 2003**  
Communications  
Act receives  
Royal Assent

**December 2003**  
Vesting of  
powers  
'Ofcom Open for  
Business'



## Ofcom

Ofcom is an independent statutory regulator.

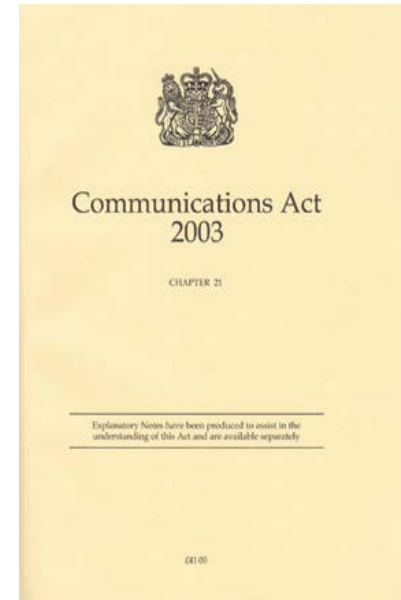
Under the **Communications Act 2003**, our core statutory duties are:

- To further the interests of **citizens** in relation to communications matters
- To further the interests of **consumers** in relevant markets, where appropriate by promoting competition

Our budget for 2012/2013 is **£121.4 million**

We are funded by 2 sources:

- The Department for Culture, Media and Sport (**DCMS**)
- Stakeholders** - Broadcast licence fees, administrative charges for electronic networks/services and associated facilities





## Ofcom – what we do.....

### Our main legal duties are to ensure:

- the UK has a wide range of electronic communications services, including high-speed services such as broadband;
- a wide range of high-quality television and radio programmes are provided, appealing to a range of tastes and interests;
- television and radio services are provided by a range of different organisations;
- people who watch television and listen to the radio are protected from harmful or offensive material;
- people are protected from being treated unfairly in television and radio programmes, and from having their privacy invaded;
- the radio spectrum (the airwaves used by everyone from taxi firms and boat owners, to mobile-phone companies and broadcasters) is used in the most effective way; and
- the UK's Universal Service Obligation on postal services is safeguarded.



## Ofcom – what we do not do...

**The day to day regulation of the following is contracted out to co-regulatory bodies, while Ofcom retains back-stop powers:**

- TV on-demand (ATVOD)
- the content of adverts on television (linear and on-demand) and radio (Advertising Standards Authority)
- premium-rate services, including mobile-phone text services and ringtones (PhonePayPlus)

**We are not responsible for regulating:**

- disputes between consumers and telecoms providers
- complaints about accuracy in BBC programmes
- the BBC TV licence fee
- newspapers and magazines

## Digital Economy Act (April 2010) – new responsibilities

- Online Copyright Infringement
- Infrastructure assessment
- Radio licensing
- Public service content across platforms
- Wireless licences – charging and enforcement powers



## Ofcom Board



**Norman Blackwell**  
(Non Exec)



**Lynne Brindley**  
(Non Exec)



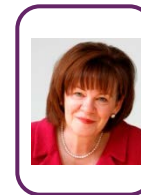
**Mike McTighe**  
(Non Exec)



**Tim Gardam**  
(Non Exec)



**Patricia Hodgson**  
**Deputy Chair**  
(Non Exec)



**Colette Bowe**  
**Chairman**  
(Non Exec)



**Ed Richards**  
**CEO**  
(Executive)



**Jill Ainscough**  
(Executive)



**Stuart McIntosh**  
(Executive)

### Background/ Experience

**Economist  
/Finance**  
(Private/  
Public)

**Telecoms**  
(Private/  
Public)

**Telecoms**  
(Private)

**B'casting**  
(Private/  
Public)

**Broadcasting  
Regulation/  
Newspaper**  
(Private/  
Public)

**Economist**  
(Private/  
Public)

**Broadcasting**  
(Private/  
Public)

**Broadcasting**  
(Private)

**Telecoms**  
(Private/  
Public)

### Appointment Process

Non-executive members are appointed by a representative from DCMS + Ofcom Chairman + Independent assessor  
(Ofcom chooses recruitment consultants and runs advertisement process)

Chairman appointed by a representative from DCMS + Independent assessor

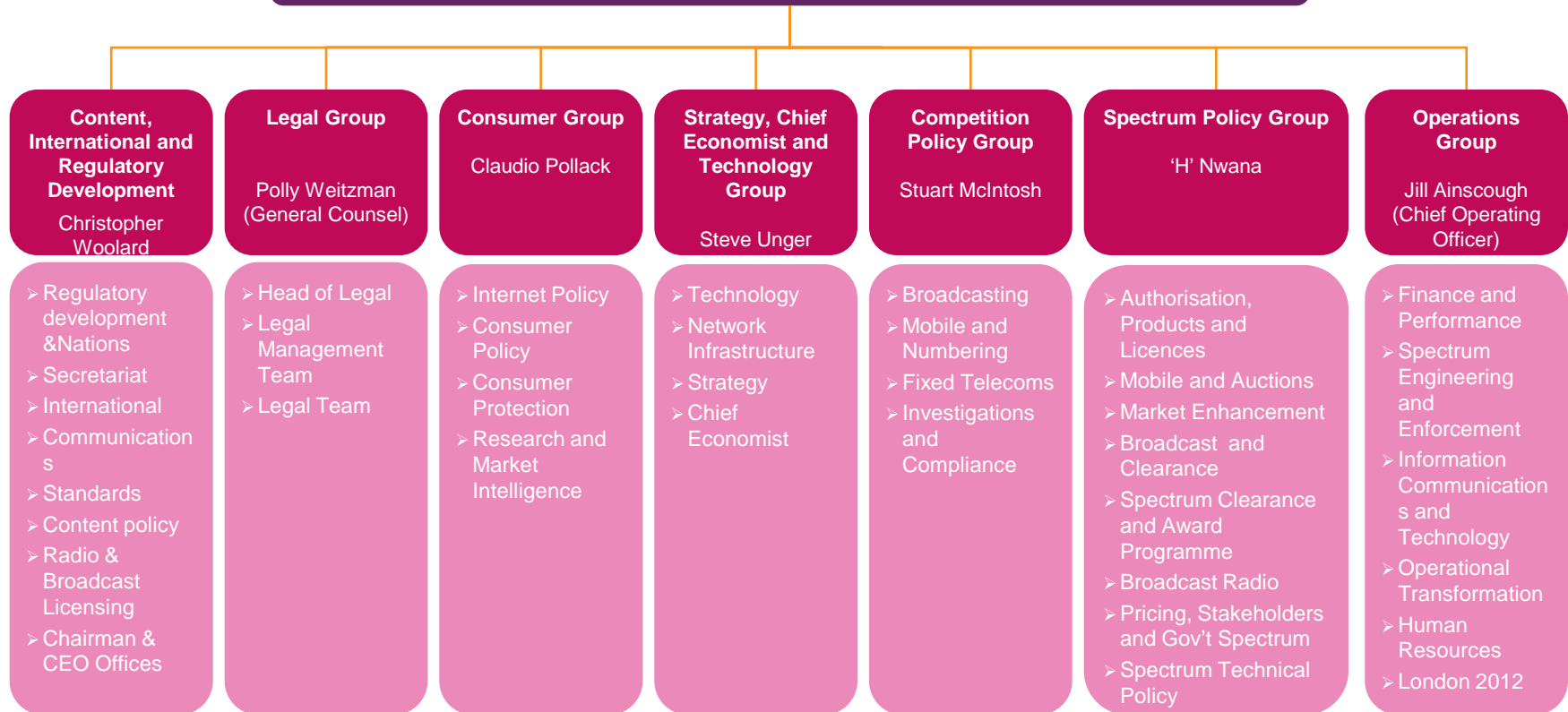
CEO appointed by Chairman  
(Subject to approval by DCMS)

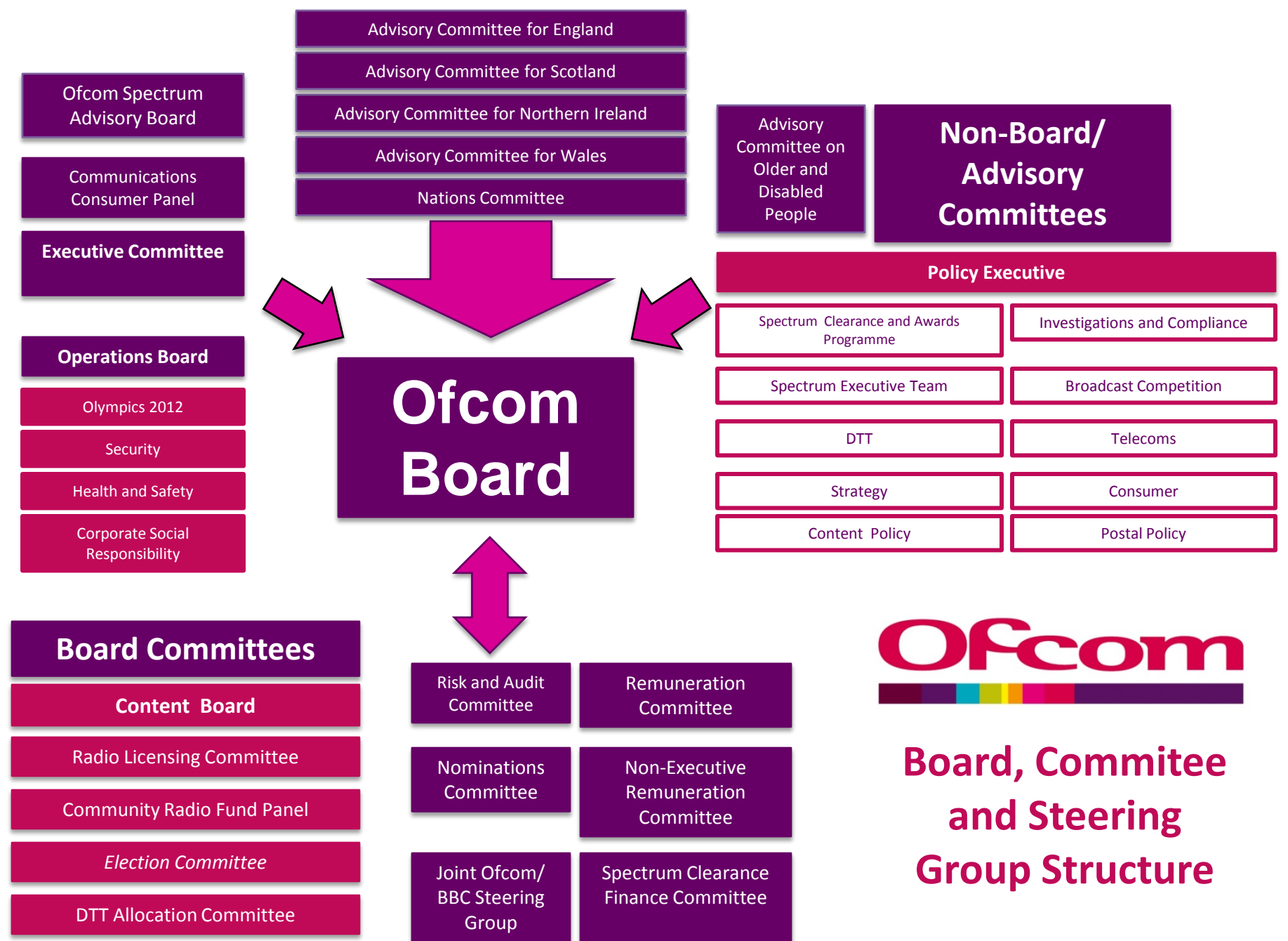
Executive Members appointed by Chairman and Non Executives

**The Board's policy and technical expertise across the sector and independent appointment process**

# Organisational Chart & Reporting Structure

**Chief Executive – Ed Richards**





## Board, Committee and Steering Group Structure

## Our strategic priorities

Ofcom has five strategic purposes that guide our work in the medium-term:

**Promote effective and sustainable competition**

**Promote the efficient use of public assets**

**Help communications markets to work for consumers**

**Provide appropriate assurance to audiences on standards**

**Contribute to and implement public policy defined by Parliament**

# We have set out specific priorities for 2012/13



## Promote effective and sustainable competition

- Ensure effective competition in the business connectivity and voice telephony markets, and protect end-users
- Promote competition and investment in the delivery of superfast broadband

## Promote the efficient use of public assets

- Auctioning of the 800 MHz and 2.6 GHz spectrum bands
- Timely spectrum clearance to enable new awards, while mitigating co-existence issues
- Deliver the Government's spectrum guarantee for the London 2012 Olympic & Paralympic Games

## Help communications markets to work for consumers

- Promote effective choice for consumers by ensuring that clear information on service, price and quality is available
- Develop and implement policies that will improve the ease of switching between communications providers
- Secure the provision of the universal postal service and determine the needs of postal users
- Assess the provision of communications services in the nations

## Provide appropriate assurance to audiences on standards

- Consider approaches to future content regulation, including a review of regulation of video on demand

## Contribute to and implement public policy defined by Parliament

- Advise Government on measurement of media plurality and contribute to the Leveson Inquiry
- Work in collaboration with Government and industry to promote widespread superfast broadband and reduce mobile not-spots
- Implement Digital Economy Act 2010 provisions around online copyright infringement

# UK Communications Market Data

## TV and Audiovisual

- Nearly 10 million TV sets were sold in 2010, almost all of which were HD ready.
- Viewers currently watch just over 4 hours a day, up by approximately 18 minutes over ten years.
- There were nearly 1 million internet-enabled TV sales during 2010, and 125,000 sales of TVs with 3D capabilities.
- Almost half (46%) of households now have a digital video recorder (DVR)



Source: UK Communications Market Report 2011: <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr11/?a=0>

A stylized, halftone-style illustration of a hand holding a smartphone, positioned in the top left corner of the slide.

## UK Communications Market Data

### Radio and Audio

- Some 91.6 per cent of the adults listened to the radio in the first quarter of 2011, up by 1 percentage point on 2010.
- One in five (18 per cent) households use the internet to listen to the radio.
- Average radio listening hours fell from 3 hours and 24 minutes per day in 2000 to 3 hours and 12 minutes per day in 2010.
- UK radio industry income totalled £1.1 billion in 2010, up by 2.8 per cent in a year



Source: UK Communications Market Report 2011: <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr11/?a=0>



# UK Communications Market Data

## Telecoms and Networks

- Over a quarter of adults (27 per cent) and almost half of teenagers (47 per cent) now own a smartphone.
- Nearly half (49 per cent) of mobile subscriptions were contract in 2010, compared to 41 per cent a year previously.
- An average of five text messages per day were sent for every person in the UK in 2010.
- Some 28 per cent of UK adults people use their mobile phones for internet access.



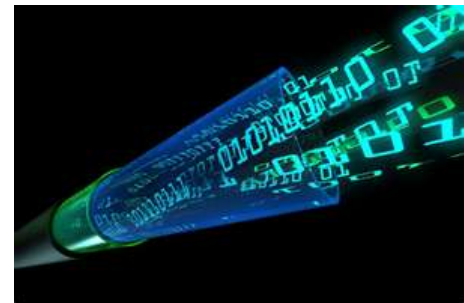
Source: UK Communications Market Report 2011: <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr11/?a=0>



# UK Communications Market Data

## Internet and Web Based Content

- Total UK broadband take-up has now reached 74 per cent.
- Eighty per cent of people with superfast broadband say they are satisfied with the service.
- Nearly half of UK adults said they used social networking sites in the first three months of 2011.
- Internet advertising spend grew by 16 per cent in 2010 to over £4 billion.



Source: UK Communications Market Report 2011: <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr11/?a=0>