Annual Plan 2015/16

Statement

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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 our Annual Plan covering the financial year 2015/16.

The opening part of the document sets out the 11 priorities we have identified for Ofcom in 2015/16 and the five main areas where we want to make progress in the coming year. We also summarise our wider programme of work across the UK and detail our approach to delivering value for money.

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.

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Chapter 1

Executive summary

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

1.1 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.

1.2 The Annual Plan describes the work we will conduct in the coming year to fulfil our duties. It also identifies, within this broader programme of work, the priorities we have set for our organisation as of 1 April 2015.

Ofcom will seek to make progress in five key areas in 2015/16

1.3 Ofcom will seek to make progress in five key areas in 2015/16 through our priorities and wider work programme. Delivering in these five areas will help to secure good outcomes for consumers, citizens and businesses.

We will ensure fair and effective competition and support efficient incentives to invest

1.4 This year we will undertake a strategic review of digital communications, considering how regulation can continue to promote efficient investment in infrastructure, continued competition, and where deregulation may be appropriate.

1.5 We will also focus on business communications through the business connectivity market review. In addition, we will 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.

1.6 Our work to improve the process of switching communications provider will enable consumers to benefit from competition in the market. We will deliver improved switching processes on the Openreach and KCOM[1] networks. In addition, we are keen to ensure that switching for mobile phone and for bundled services is as easy as possible for the consumer and we will come forward with proposals for reform, as needed, later in 2015.

We will continue to identify and address areas of potential consumer harm

1.7 We will do this by continuing to monitor and respond to evidence of consumer harm. In particular, we will launch investigations into consumer complaints and concerns or areas of potential harm that we identify. We have planned work to address nuisance

[1] KCOM provides voice and broadband services in the Kingston upon Hull area, where the Openreach network is not available

calls, mis-selling of services (such as slamming[2]) and unexpectedly high bills (known as 'bill shock').

1.8 We will continue to work with other groups to promote the safety of audiences online with a particular focus on children. This includes work with the UK Council for Child Internet Safety (UKCCIS). We will take a new targeted approach to enforcement activities for TV broadcasters in order to protect audiences.

We will renew our focus on quality of service for consumers and businesses

1.9 Quality of service remains a significant challenge in the communications sector. We have set new minimum standards for Openreach and are monitoring its performance against its obligations with regard to installing and repairing fixed lines. We will also review Openreach's performance in the provision of 'Ethernet' lines in the business connectivity market, and will develop new measures to report on the actual consumer experience of fixed broadband.

We will help promote the wide availability of communications services for consumers and businesses

1.10 We will do this by working to promote better mobile coverage in collaboration with Government and industry. We will review 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 to both extend and improve broadband services. This will benefit people living in cities or rural areas, as well as businesses of all sizes.

Our work will meet the growing demand for spectrum

1.11 To ensure that all end-users can benefit from improved mobile services, we will release additional spectrum for wireless data services. Our work in this area includes preparations for the 2.3GHz and 3.4GHz spectrum auction due to take place by the end of 2015/16, and taking steps to make the 700MHz band available for future mobile use. We will also represent the UK's interests at the World Radiocommunications Conference.

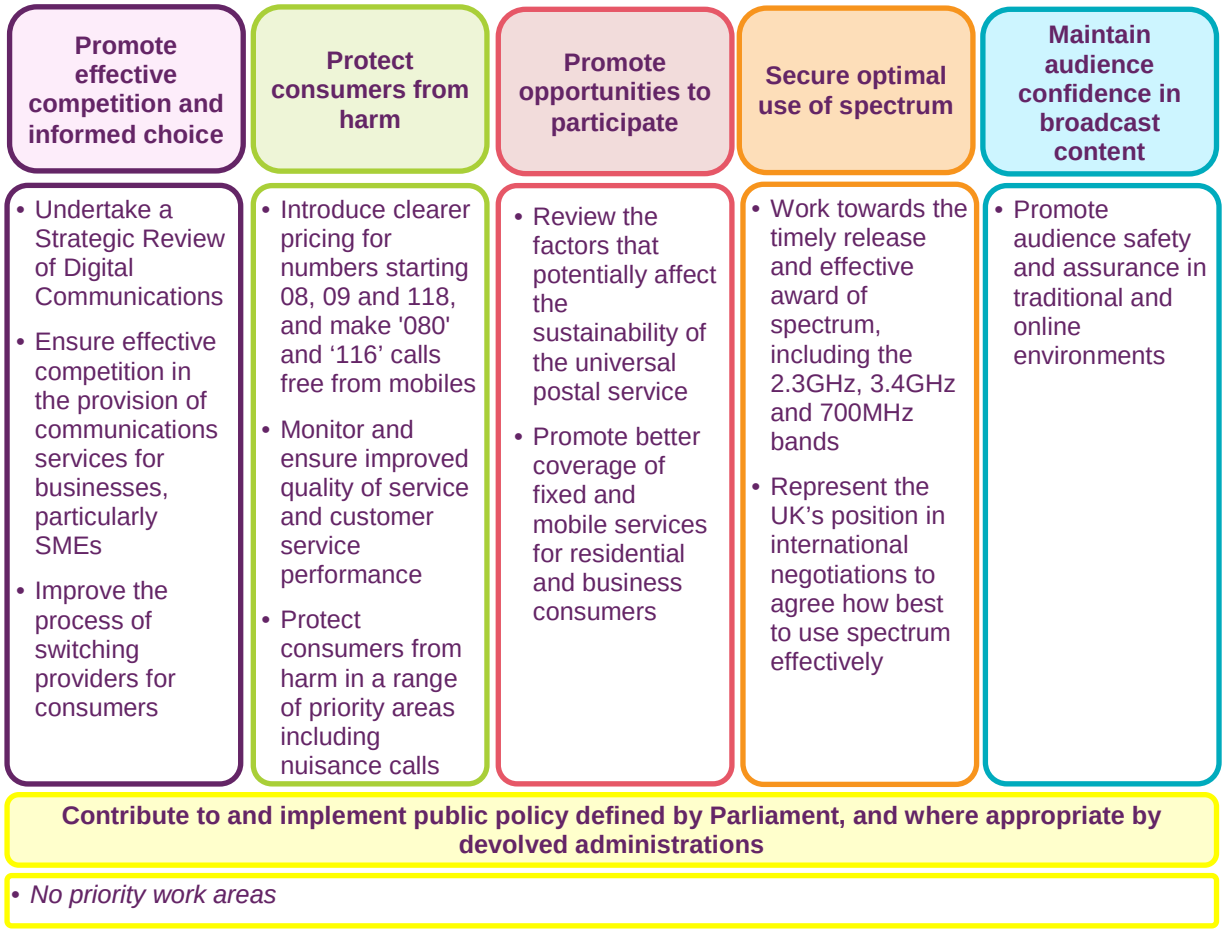
We have identified 11 specific priorities for 2015/16

1.12 To deliver on these aims, we have identified 11 priorities in the coming year. These priorities are either specific activities that are key to our delivering the five aims set out above, or activities which have a clear milestone within 2015/16. They are summarised in Figure 1 and grouped under our 'strategic purposes'. Our priorities are discussed in brief in Chapter 3 and in more detail in Annex 1.

1.13 In addition, we will undertake a range of other significant work that is important to delivering on our duties. This is set out in brief in Chapter 4, and in further detail in Annex 2.

[2] A practice whereby customers are switched from one company to another without their knowledge or consent.

Figure 1 – Priorities for Ofcom in 2015/16



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

1.14 In fulfilling our duties, we will 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.

1.15 We will conduct a range of work to promote the interests of consumers in the nations and regions in the coming year. This includes promoting the availability and coverage of communications services across the UK. 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 developments around devolution (see paragraph A2.119).

1.16 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 A3.29.

1.17 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's programme of work.

Chapter 2

Consultation responses and amendments to the Draft Annual Plan

The responses to the Draft Annual Plan covered a range of themes, such as switching and quality of service

2.1 We received 32 responses to the Draft Annual Plan. They were generally supportive of the scope of our planned work programme, suggesting that it broadly addresses the needs of our stakeholders. The majority of the responses also made proposals as to how Ofcom should approach particular work areas.

2.2 All non-confidential responses are published on our website here. In addition, we have summarised the responses in more detail in Annex 5. In this Annex we have also responded to comments and suggestions made to us.

2.3 In this chapter, we have picked out several key themes from the responses that relate to our draft work areas. These are set out in the table below, along with our response where appropriate.

BT's Undertakings	**Several stakeholders proposed that, in the light of changes in market conditions since the inception of BT's Undertakings, Ofcom should review their effectiveness and take action to promote competition.** The Strategic Review of Digital Communications will examine these issues as part of a wider review of competition, investment, and the potential for deregulation in the fixed and mobile markets. This work is described in paragraph A1.6 below.
SMEs	**Respondents were broadly supportive of Ofcom's work to better understand the connectivity needs of SMEs.** Ensuring effective competition in the services for businesses is a priority for us in the coming year. In September 2014, Ofcom outlined its programme of work designed to enable SMEs to get the best out of communications services in the UK. We will continue this work in order to ensure good outcomes for SMEs and to identify potential policy options that could deliver an improved experience for them.
Switching	**Respondents who commented on switching generally supported a similar approach to switching processes across different services including, for example, those purchased in bundles. Half of them specifically favoured gaining provider-led (GPL) switching processes over others.** Improving switching for consumers remains a priority for Ofcom. We have updated our plans to consider how further improvements to switching for consumers might be made: see paragraph A1.19. In particular, we will complete our implementation of simpler gaining provider-led switching procedures for lines where both parties use BT or KCOM's copper networks. In addition, we are keen to ensure that switching for mobile phone and for bundled services is as easy as possible for the consumer and we will come forward with proposals for reform, as needed, later in 2015

Quality of service	**Several respondents stated that Ofcom should ensure that it rigorously enforces the quality of service requirements that apply to Openreach.** The Draft Annual Plan set out our work on quality of service as a priority for 2015/16. We have set new minimum standards for Openreach and are monitoring its performance against its obligations with regard to installing and repairing fixed lines. We will also review the service quality that Openreach provides in relation to Ethernet lines as part of our business connectivity market review.
Nuisance calls	**Several respondents urged Ofcom to do more to reduce nuisance calls, including through call blocking measures and by tracing nuisance callers.** In the Draft Annual Plan we made the protection of consumers from harm, including through nuisance calls, a priority for 2015/16. We will engage with UK and international bodies to promote further improvements to the information available to users about who is calling them (i.e. caller line identification), particularly when calls pass between networks (see paragraph A2.32).
Coverage of fixed and mobile services	**A number of respondents raised concerns about the effect of fixed and mobile broadband not-spots on consumers.** We have made work in this area a priority for 2015/16. Our work will include new interactive mobile coverage maps to enable consumers to compare the mobile coverage that each MNO offers in each country of the UK. We will also update our 2014 research into the quality of experience that different mobile operators provide with regard to mobile voice services (measured as the percentage of mobile calls that are successfully completed on each of the operators' networks).
Universal Service Obligations	**BT and KCOM proposed that Ofcom should review the scope of Universal Service Obligations (USO) including those relating to pay phones, in the light of changes in the market.** Ofcom will continue to monitor the provision of the USO through the specific conditions affecting BT and KCOM. As part of this, we will consider the case for reviewing the operation and effectiveness of the condition and the detailed related provisions on public call boxes. **Other stakeholders argued for the introduction of a Universal Service Obligation to offer a minimum fixed broadband speed.** The Government has indicated its intention to raise the USO to require a minimum broadband speed of 5Mbit/s. We will continue to engage with and support Government in this area as it develops its policy proposals for a broadband USO. We will also engage with the European Commission on its review of the scope of the USO at EU level. Our *Infrastructure Report Update* in autumn 2015 will continue to monitor how internet usage varies according to the broadband speed available.
Mobile data requirements	**Respondents expressed diverging views about future demand for spectrum from mobile data uses, the Internet of Things (IoT) and machine-to-machine (M2M) applications. Some stated that Ofcom should investigate ways to allocate additional spectrum to IoT applications. Others argued that further spectrum should not be allocated to mobile data uses in a way that would cause disruption for incumbent users.**

	In our plans for spectrum release in the 2.3/3.4GHz bands and the 700MHz band we have conducted detailed studies of the potential impact on incumbent users, and mitigated these where possible. We conducted an invitation to comment on the spectrum requirements of the IoT last year, the findings of which are published here.
Review of the General Conditions	**Stakeholders such as Vodafone and UK Competitive Telecommunications Association (UKCTA) proposed that Ofcom should review the provisions of the General Conditions, for example to remove any inconsistent terminology and to review the appropriateness of requirements affecting providers of narrowband services. Respondents also raised concerns around the conditions applying to multiple elements of a bundle.** Development of the General Conditions over time has created a proportionate framework for sector specific consumer protection, to run alongside and complement cross-sectoral consumer protection provisions. Much of the scope of the General Conditions derives from the European regulatory framework, and it will be appropriate to address questions around this in reviews at the European level. We believe it is important for proportionate consumer protection to apply to services within scope whether purchased singly or in a bundle.

Major changes to the Draft Annual Plan following consultation responses and other developments

2.4 Below we set out the most significant changes to our programme of work since the publication of the Draft Annual Plan.

Undertake a Strategic Review of Digital Communications

2.5 In both our May 2014 fixed access market review and our Draft Annual Plan we set out how the tenth anniversary of our first strategic review of telecoms might provide a sensible opportunity to undertake a wider review of communications services. On 12 March we announced an overarching review of the UK's digital communications markets, entitled the Strategic Review of Digital Communications.

2.6 There are a number of reasons for taking action now. We have seen a number of significant developments, including plans for the next round of fixed and mobile network investment, the use of 'over the top' communications services and continued market interest in convergence and consolidation across the value chain.

2.7 Alongside the announcement we published terms of reference which can be found on our website here.

2.8 We have identified the review as a priority for 2015/16, and we describe the work area in paragraph A1.6.

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

2.9 In recent years there have been a number of market developments in the provision of TV-like services with video on-demand services, often delivered over-the-top using

the internet, increasing in popularity. In Chapter 8 of our Draft Annual Plan, we noted the potential need for further work to understand the implications of market developments in the TV platforms market.

2.10 We recently published the terms of referencefor an assessment of how market developments may influence linear platform developments in order to determine whether there is likely to be effective competition in the delivery of new content services to the benefit of consumers.

2.11 This work is now described as a significant work area in paragraph A2.6.

Apply annual licence fees (ALFs) for 900 MHz and 1800 MHz spectrum

2.12 In 2010 the Government directed Ofcom to revise the fees paid for the 900MHz and 1800MHz spectrum bands to reflect their full market value, after the completion of the 4G auction. We have been consulting on revising these fees since the conclusion of the 4G auction in February 2013. In December 2014 the Government and the mobile network operators agreed that the operators would implement 90% geographic voice coverage throughout the UK by no later than 31 December 2017.

2.13 At the time of the December agreement, we agreed that we would provide all interested parties with the opportunity to comment on whether the new geographic voice coverage obligation, taking account of the associated incremental costs incurred by the operators, should affect future licence fees. We issued a consultation on this subject in February 2015.

2.14 This work is now described as a significant work area in paragraph A2.77.

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

2.15 Following the Government's announcement of an agreement with mobile network operators to address partial not-spots in mobile coverage, we have identified further areas where we can provide information for consumers on mobile coverage.

2.16 In addition to the work identified in the Draft Annual Plan, in Q3 2015/16 we plan to publish an update to our 2014 research into the quality of experience that different mobile operators provide with regard to mobile voice services (measured as the percentage of mobile calls that are successfully completed on each of the operators' networks). This work will augment the further research into the performance of mobile broadband services and mobile coverage that we will conduct in 2015/16, as set out in the Draft Annual Plan.

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

2.17 In our Draft Annual Plan we outlined our response to the Smith Commission's invitation to Ofcom to contribute to its deliberation on further devolution to the Scottish Parliament. We have updated our description of our work in this area following developments since the publication of our Draft Annual Plan. A full description of our work can be found at paragraph A2.120.

2.18 Following the publication of the recommendations of the Smith Commission in November 2014, the UK Government published draft clauses in January 2015 showing how these measures would be incorporated into legislation. We note that

the draft legislation includes a number of provisions relating to Ofcom and its work, for example a power for Scottish Ministers to appoint one member of Ofcom's Board who is capable of representing the interests of Scotland.

2.19 In addition, on 27 February 2015 the UK Government released a command paper as part of the St David's Day agreement on further devolution to Wales. We note that this includes a number of provisions relating to Ofcom and its work, for example a power for Welsh Ministers to appoint one member of the Ofcom Board who is capable of representing the interests of Wales. Work relating to this is also described at paragraph A2.120.

2.20 In 2015/16, we will continue to respond as appropriate to any proposals for the devolution of powers to national governments and legislatures in the UK as they affect the communications sectors.

2.21 The debate on devolution is the context for an increasing focus on the importance of regulatory policy to each of the nations. We received consultation responses from a number of stakeholders in the nations, which all stressed the importance of reflecting the work that Ofcom does with the nations in the Annual Plan. The Welsh Government made a specific request that we revise the wording of our sixth strategic purpose to make reference to our work with devolved administrations in the nations, which we have responded to positively.

2.22 Our work programme has built into it a wide range of activities to reflect the interests of the nations as well as the UK as a whole. To better reflect this, we have made the following addition to the phrasing of our strategic purpose (in italics below):

2.23 "Contribute to and implement public policy as defined by Parliament, *and where appropriate by devolved administrations.*"

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

2.24 Since publishing the Draft Annual Plan, we have identified further work on non-geographic numbers for 2015/16.

2.25 We will review the use of mobile numbers, including the definition of 'mobile service' that is used when allocating numbers from the 07 mobile number ranges. The review will consider our approach to applications to use mobile numbers for IoT devices (machine-to-machine, or M2M, applications). We expect to consult on proposals later this year. This work is described in full at paragraph A3.5.

Review of postal common operational procedures (PCOP)

2.26 In the Draft Annual Plan we said we would complete a review of postal common operational procedures (PCOP) by Q1 2015/16. We have now decided to close our work on PCOP due to resource constraints.

Mergers

2.27 In Chapter 6, which explains Ofcom's competition law powers, we have noted the role we may play in providing support on request to the Competition and Markets Authority (CMA) on proposed mergers.

Chapter 3

Our strategic priorities for 2015/16

This year we have identified 11 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 and Annex 2.

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

3.2 In 2013 we set out Ofcom's six strategic purposes as a framework which captures the full range of duties we have. Since then we have organised our programme of work to fit within this framework.

3.3 Our strategic purposes remain broadly unchanged for the next financial year. However, we have made the following addition to the phrasing of our sixth strategic purpose (in italics below) to reflect our work with devolved administrations in the nations:

"Contribute to and implement public policy as defined by Parliament, *and where appropriate by devolved administrations*".

Figure 2 – Priorities for Ofcom in 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
• Undertake a Strategic Review of Digital Communications • Ensure effective competition in the provision of communications services for businesses, particularly SMEs • Improve the process of switching providers for consumers	• Introduce clearer pricing for numbers starting 08, 09 and 118, and make '080' and '116' calls free from mobiles • Monitor and ensure improved quality of service and customer service performance • Protect consumers from harm in a range of priority areas including nuisance calls	• 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	• Work towards the timely release and effective award of spectrum, including the 2.3GHz, 3.4GHz and 700MHz bands • Represent the UK's position in international spectrum negotiations to agree how best to use spectrum effectively	• Promote audience safety and assurance in traditional and online environments

Contribute to and implement public policy defined by Parliament, and where appropriate by devolved administrations

- *No priority work areas*

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

3.4 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 11 priorities.

Undertake a Strategic Review of Digital Communications	We have announced an overarching review of the UK's digital communications markets. The new review will consider a range of issues in the sector, in particular ensuring the right incentives for investment, maintaining strong competition and identifying where there is scope for deregulation. Drawing on stakeholder engagement over the coming months, we will publish a discussion document in summer 2015. We will then evaluate responses before publishing our initial views around the end of 2015.
Ensure effective competition in the provision of communications services for businesses, particularly SMEs	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. We will also complete the business connectivity market review, covering 'leased line' business products.
Improve the process of switching providers for consumers	We will complete our implementation of simpler gaining provider led switching procedures for lines where both parties use BT or KCOM's copper networks. We are keen to ensure that switching for mobile phone and for bundled services is as easy as possible for the consumer and we will come forward with proposals for reform, as needed, later in 2015.
Introduce clearer pricing for numbers starting 08, 09 and 118, and make '080' and '116' calls free from mobiles as well as landlines	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 how much to other companies.
Monitor and ensure improved quality of service and customer service performance	We have set new minimum standards for Openreach and are monitoring its performance against its obligations with regard to installing and repairing fixed lines. We will also continue our review of the adequacy of consumer redress arrangements for fixed-line fault repair and installation delays, with a view to improving consumer understanding of CPs' current arrangements.
Protect consumers from harm in a range of priority areas including nuisance calls	We will take action against instances of nuisance calls through our joint action plan with the Information Commissioner's Office. In addition we will continue to investigate instances of mis-selling in the sector.
Review the factors that potentially affect the	We will conduct a broad review of the factors that could materially affect Royal Mail's ability to deliver the

sustainability of the universal postal service	universal postal service in future. This review will cover developments in the parcels market, Royal Mail's position within this market and the rate of improvement in efficiency that Royal Mail should reasonably be able to achieve.
Promote better coverage of fixed and mobile services for residential and business consumers	We will develop a consistent approach to reporting on coverage and quality of experience of mobile services that reflects actual consumer experiences, and publish operator-specific metrics to inform consumer choices in an accessible format. 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. We will do this by supporting the Government's 'Broadband Delivery UK' (BDUK) scheme, and by reporting on gaps in coverage of superfast broadband for rural and urban areas and SMEs. We will also support Government in the development of its broadband USO propsals.
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 earlier if practicable).
Represent the UK's position in international negotiations on spectrum use	The World Radiocommunications Conference (WRC) is the global United Nations conference where the international treaty that governs 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.
Promote audience safety and assurance in traditional and online environments	In 2015/16 we will extend our targeted monitoring of enforcement against TV content that contravenes the Broadcasting Code. We will also continue to promote the safety and assurance of children online.

3.5 We will measure the success of our delivery of these priorities for 2015/16 against both interim and final outcomes, which we set out at the end of Annex 1. In addition to these 11 priorities we set out our full programme of work in Annex 2.

How we set our priorities

3.6 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:

3.6.1 **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.

3.6.2 **Scale and clarity of deliverables**: Some projects have a particularly significant and clearly-defined deliverable, with associated outcomes.

3.6.3 **Importance of the issue**: The importance that consumers and other stakeholders place on certain issues is a factor in our prioritisation of work.

3.6.4 **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 this year

4.1 In addition to our 11 priorities, we set out below the full range of further work that we will undertake in the coming year in order to meet fully our statutory duties.

Figure 3 – Other significant work for Ofcom in 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
• 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 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	• 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 that consumers have access to redress for service failures and poor quality of service	• Understand and promote the interests of vulnerable citizens and consumers • Carry out other work in the light of our duty to secure the provision of the universal postal service	• Conclude our review of spectrum requirements for programme-making and special events • Improve the planned use of UHF spectrum • Apply annual licence fees for 900 MHz and 1800 MHz spectrum • Work with Government to meet the spectrum requirements of the emergency services • Explore and implement opportunities for spectrum sharing • Plan for future mobile data spectrum requirements, including for the Internet of Things • Implement plan on RF performance	• 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, and where appropriate by devolved administrations

- 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 the UK's 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

Programmatic work

4.2 We undertake a range of key activities for consumers and other stakeholders, that 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's programme of work; and
- engage with international stakeholders and participate actively in European regulatory networks.

Chapter 5

Ofcom's competition law powers

5.1 In addition to our regulatory responsibilities, we have powers in relation to communications matters to:

- enforce the *ex post* prohibitions of anti-competitive agreements and abuse of a dominant position set out in the Competition Act 1998 and the corresponding provisions under the Treaty on the Functioning of the European Union; and
- investigate markets and make 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 more 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 investigating 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 Limited relating to the sale of live UK audio-visual media rights to Premier League matches.

5.5 Further information can be found on our website here.

Mergers and acquisitions

5.6 While Ofcom has no formal decision-making remit in respect of mergers and acquisitions, we typically work closely with the merger authorities (the CMA and the European Commission) to provide expert advice in relation to UK mergers in the sectors that we regulate.

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 will 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 regional communities and ethnic groups.

6.2 In the coming year we will promote the interests of all of the UK's nations in our priority work areas, 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 (and BT in Northern Ireland) 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 the broadcaster'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; and

- developing a measurement framework for media plurality that is capable of setting out the position 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 to inform 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 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 A2.119.

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 an 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 superfast broadband becomes the norm for many, there is growing interest among industry and policymakers in the next phases of broadband services. This will include the emergence of ultrafast broadband with speeds of up to 1Gbit/s. In its digital communications infrastructure strategy published on 18 March, the Government announced its ambition that ultrafast broadband of at least 100Mbit/s should become available to nearly all UK premises.

7.5 Several fixed broadband operators have recently announced plans to make new investments in ultrafast broadband fixed access networks. Ultrafast broadband deployments include advances in the telephony network (including G.Fast), cable broadband network (such as improvements in the Data Over Cable Service Interface Specification (DOCSIS) standard) and new fibre-to-the-home developments. We will work to further understand the implications of these important market developments in our Strategic Review of Digital Communications in the coming year, including the likely pace and geographic distribution of upgrades.

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.

The increasing use of consumer data and information

7.7 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.

7.8 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, to safeguard the interests of consumers and citizens.

New competition bottlenecks and gateways

7.9 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.

7.10 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.

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 2014/15 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, proportionate regulation in the interests of citizens and consumers, while maintaining value for money for our stakeholders.

8.3 In 2010 we commenced our 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 2014/15 was set at £117.0m, reducing the overall cost of regulation by 33.4%[3] 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;
- exiting 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.

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 3.4%[4] real-terms reduction in comparison with the 2014/15 budget.

8.6 Costs for 2015/16 by stakeholder sector are published in our Tariff Tables, alongside this document. There are no changes to the methodology used to calculate these charges for 2015/16.

[3] After accounting for savings achieved following the transfer of responsibility for the regulation of postal services from Postcomm in October 2011.
[4] Based on January 2015 RPI of 1.1%.

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;
- transform our ICT services, innovating and delivering on our ICT strategy, including 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 key services and functions, such as 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;
- In 2014/15 we completed the restructure of our Spectrum Engineering and Enforcement team to make further improvements in meeting the needs of spectrum users. This resulted in further reductions to headcount and costs in this area, and rationalisation of our regional property portfolio;
- identify other opportunities to generate additional funds for the Exchequer. For example, we have already collected £1.5m from industry 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.

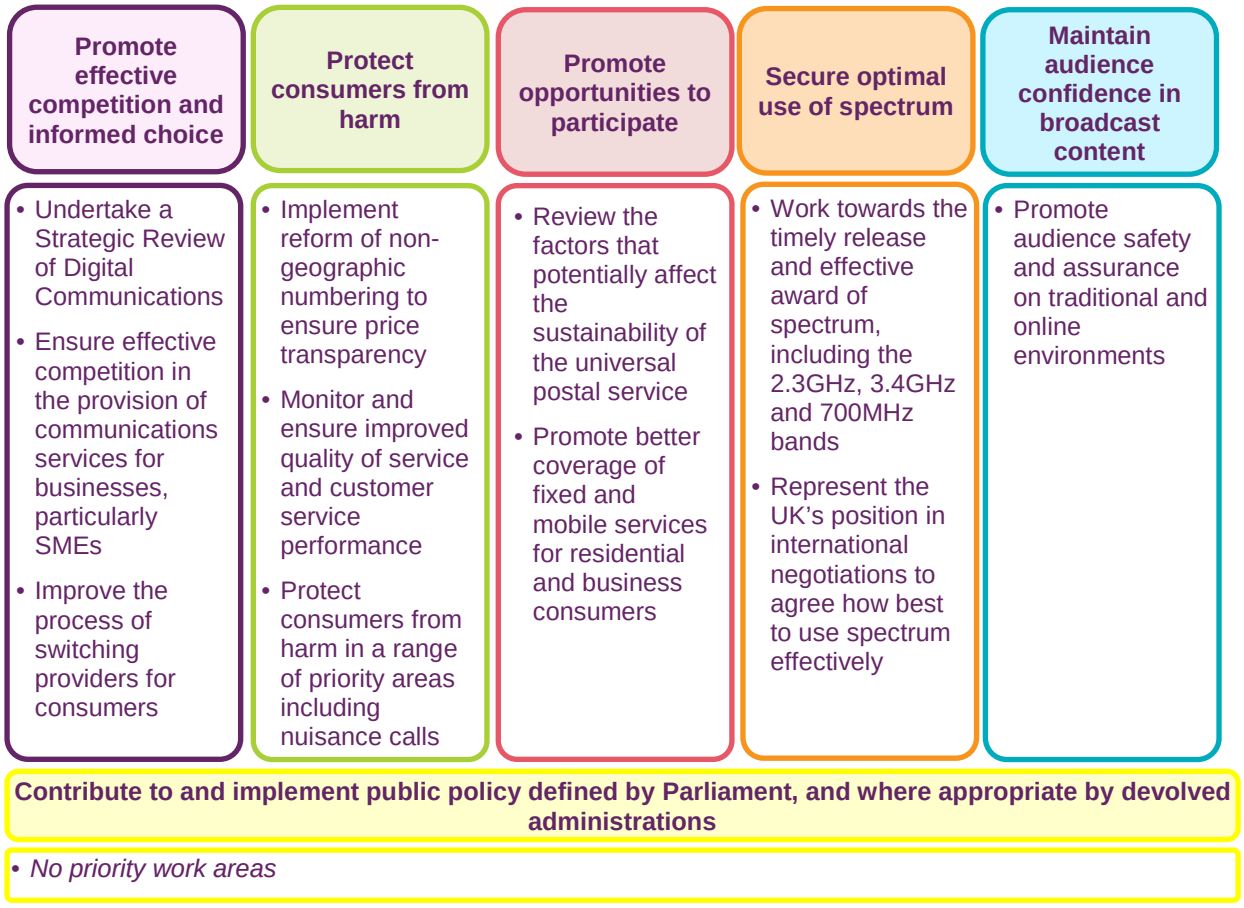
8.8 Ofcom will continue to engage with other regulatory bodies to leverage our skills and competencies and to share best practice, make the best use of our combined resources and operate as efficiently as possible. In March 2014 the UK Regulators Network (UKRN) was launched to encourage greater co-operation and co-ordination between regulators, share best practice and drive operational efficiency. Ofcom's work to support the UKRN is described in more detail in paragraph A3.33.

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 priorities for 2015/16 in Figure 4 below.

Figure 4 – 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 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.

A1.5 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	• Undertake a Strategic Review of Digital Communications • Ensure effective competition in the provision of communications services for businesses, particularly SMEs • Improve the process of switching providers for consumers

Undertake a Strategic Review of Digital Communications

A1.6 On 12 March we announced an overarching review of the UK's digital communications markets, entitled the Strategic Review of Digital Communications. We had previously set out how the tenth anniversary of our first strategic review of telecoms might provide a sensible opportunity to undertake such a review in our May 2014 *Fixed Access Market Review* and in our *Draft Annual Plan*.

A1.7 There are a number of reasons for taking action now. We have seen a number of significant wider developments, including plans for the next round of fixed and mobile network investment, the use of 'over the top' communications services and continued market interest in convergence and consolidation across the value chain.

A1.8 To support the future development of digital communications, it is essential that there should continue to be a clear strategic framework in which future regulatory decisions can be taken. This must be designed both to promote competition and to support continued investment and innovation. It should also take into account the range of market developments, announcements and expected evolutions within digital communications services. This framework will allow us to ensure good outcomes for consumers, citizens, businesses and the UK generally.

A1.9 We anticipate that this review will have at least two main phases.

1.9.1 Phase one will focus on evidence-gathering and understanding consumers' and stakeholders' experiences of digital communications. This will inform a discussion document in summer 2015 on potential challenges to making markets work for consumers.

1.9.2 Building on stakeholder responses to this discussion document, phase two will look to draw initial conclusions and set out a clear plan for next steps. The exact nature of our phase two output will depend on the evidence and analysis arising from phase one. We anticipate that we will conclude phase two around the end of 2015.

A1.10 The terms of reference for this review were published alongside the announcement, and can be found on our website here.

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

Enabling small businesses to get the best out of communications services

A1.11 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.

A1.12 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 potential policy options that could deliver an improved experience for them. We will publish an initial document on this work in Q1 2015/16.[5]

A1.13 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.

A1.14 We will consider whether adequate measures are in place to protect SMEs from practices which may result in consumer harm, such as slamming.

Business connectivity market review (BCMR)

A1.15 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 role in promoting competition and investment in the provision of business connectivity services in the UK.

A1.16 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 that could require a provider with significant market power to provide access to their physical infrastructure of ducts and fibres to alternative communications providers.

A1.17 We currently plan to publish the main BCMR consultation in Q1 2015/16, along with any further consultation necessary regarding remedies, and expect to conclude our review with a statement in Q4 2015/16.

A1.18 We will review Openreach's quality of service, particularly in relation to the provision of Ethernet services, and consider whether it will be appropriate to impose a minimum standard.

[5] 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.

Improve the process of switching providers for consumers

A1.19 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, as appropriate, to ensure the effectiveness of switching procedures for consumers.

A1.20 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 and KCOM copper-based networks. New measures will also be in place to ensure that consumers are aware of the implications of their decision to switch, and to help protect them against slamming, loss of service and erroneous transfers.

A1.21 We are also keen to ensure that switching for mobile phone and for bundled services is as easy as possible for consumers. In Q1 2015/16 we will publish findings from last year's call for inputs and set out the further work we will undertake to assess whether there is a case for further potential reforms and if so, in relation to which network(s). If we conclude that consumers would benefit from further changes and that proportionate changes can be made, we will consult on this in autumn 2015.

A1.22 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

A1.23 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 and work closely with consumer bodies and advocacy groups including the Communications Consumer Panel (CCP).

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

A1.24 '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.

A1.25 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 help restore 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.

A1.26 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.

A1.27 In October 2014, we consulted on proposals to reflect the new tariff requirements in the Broadcasting Code. We will publish a statement setting out any changes to the Code in Q1 2015/16, before the tariff changes take effect.

Monitor and ensure improved quality of service and customer service performance

A1.28 In the 2014 fixed access market review (FAMR) we set new minimum standards on Openreach for provisioning and repair of copper access lines. We also introduced a requirement for Openreach to report a range of key performance indicators (KPIs) related to its performance, publishing some of those KPIs on its public website.

A1.29 During 2015/16 we will monitor Openreach's performance against its obligations with regard to installing and repairing fixed lines. We will also conduct a detailed review of its annual compliance statement. Our aim is to ensure that Openreach is on track to meet these minimum service standards each year to 2016/17.

A1.30 We will also review the service quality that Openreach offers in relation to Ethernet lines as part of our business connectivity market review (see paragraph A1.15).

A1.31 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

A1.32 Our overall approach to providing consumer protection is to focus on the issues that can generate significant consumer harm and which it is possible for us to address using our powers. We undertake own-initiative work, for example our ongoing work on fixed line mis-selling, reducing unexpectedly high bills, tackling silent calls and securing fair contract terms. In other areas our work reactive, driven by issues that emerge or change during the year.

A1.33 In 2015/16 our planned work will include:

- an ongoing programme addressing nuisance calls, as set out in our joint action plan with the Information Commissioner's Office. This includes a focus on technical measures, working with UK industry and international organisations, to improve the ability to identify callers. This work is set out in paragraph A2.32 below;

- continued focus on securing providers' compliance with complaints handling rules, including investigations as appropriate, and working with industry to drive improvements in customer service more generally in telecoms;

- an ongoing monitoring and enforcement programme to tackle mis-selling and 'slamming' (including erroneous landline transfers), including through investigations as appropriate; and

- continued focus on compliance with Ofcom's Guidance on mid-contract price increases.

Strategic purpose 3: promote opportunities to participate

A1.34 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

A1.35 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.

A1.36 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.

A1.37 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.

A1.38 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.

A1.39 In addition, in June 2014 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.

A1.40 Therefore our work on postal regulation in 2014/15 has largely comprised these two unplanned reviews: of access pricing and of 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.

A1.41 In December 2014 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 allows it to make a fair profit and reflects 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. We did not therefore consider it necessary to impose new regulatory conditions on new entrants.

A1.42 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.

A1.43 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.

A1.44 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.

A1.45 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

A1.46 As consumers and businesses increasingly rely on mobile devices, expectations of mobile coverage and quality 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.

A1.47 However, as set out in recent publications, a number of areas of concern remain with regard to coverage (partial and complete not spots), as well as quality of experience.

A1.48 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 consumers and policy decisions

A1.49 We will provide technical support to the 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.

A1.50 We plan to publish updated research into the performance of mobile broadband services in Q3 2015/16. We also plan to publish additional research into coverage for 2G, 3G and 4G networks in Q3 2015/16.

A1.51 In our *Infrastructure Report 2014*, we released more of the underlying data and analysis in an open format. This includes data on broadband speeds and coverage, WiFi hotspots, mobile network coverage and broadcast network coverage. We also enhanced the quality of the data by making it more easily understandable.

A1.52 We have developed an online portal containing interactive maps and infographics which visualise the data: http://infrastructure.ofcom.org.uk. Our data visualisations make large and often complex datasets as relevant and meaningful as possible to a wide range of users.

A1.53 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.

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

A1.54 Mobile 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.

A1.55 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.

A1.56 As part of our broader programme of work on mobile coverage, 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 Q2 2015/16.

Supporting government initiatives to improve availability of broadband and superfast broadband across the UK and its nations

A1.57 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 10Mbit/s. Its focus is now shifting to the 'final 5%' of premises not subject to the original targets.

A1.58 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.

A1.59 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 7.4 above.

A1.60 Government recently announced it will take further action to support the delivery of broadband in rural areas, including looking to raise the Universal Service Obligation – the legal entitlement to a basic service – from dial-up to 5 Mbit/s broadband. It has also said it will subsidise the costs of installing superfast capable satellite services. We will provide technical advice on these issues as required and will implement any new USO requirement.

Monitoring gaps in superfast coverage in cities and rural areas

A1.61 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 superfast broadband coverage in comparison with residential properties. We will monitor progress in addressing these gaps as rollout continues and will publish new analysis in the *Infrastructure Report Update 2015*.

A1.62 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

A1.63 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 • Represent the UK's position in international negotiations to agree how best to use spectrum effectively

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

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

A1.64 As part of our strategy to increase the total amount of spectrum available and support the growing demand for wireless services that will deliver 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 the private sector by 2020.

A1.65 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.

A1.66 In summer 2015 we plan to 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.

A1.67 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

A1.68 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.

A1.69 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.

A1.70 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 that 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 that 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.

A1.71 Over the coming 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 with our international neighbours to agree the main details of a revised DTT frequency plan 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.

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

A1.72 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.

A1.73 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.

A1.74 The next WRC will be held over four weeks in November 2015. It 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.

A1.75 Ofcom is engaging with the Government and with stakeholders during the preparations for WRC-15 to ensure that the UK's views and positions are effectively developed in line with UK policies and priorities. Ofcom consulted on the proposed WRC-15 agenda items in June 2014 and issued an update document in January 2015.

A1.76 In 2015/16 we will:

- co-ordinate UK positions to be taken to the 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; and

- present UK and, where appropriate, CEPT positions, at the WRC 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 which are affected by spectrum decisions taken at WRC-15.

A1.77 Following WRC-15, we will participate in discussions to agree the structure of work for the next WRC, expected to be held in 2019. In addition to WRC-related activities, in 2015/16 Ofcom will:

- continue to play an active role in the EU Radio Spectrum Policy Group (RSPG) and Radio Spectrum Committee (RSC). In particular, the RSPG will deliver a report on efficient spectrum awards, led by the UK and the RSC will adopt spectrum decisions that will be binding on the UK; and

- continue to engage in the Electronic Communications Committee (ECC) of the CEPT and its associated working groups and project teams to develop decisions which help to determine the conditions under which spectrum is made available for a range of services and applications across Europe.

Strategic purpose 5: maintain audience confidence in broadcast content

A1.78 We will continue to work to maintain audience confidence in content on TV and radio services. This work requires us to review the 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

A1.79 As patterns of consumption of content services change, it is important that we continue to promote the interests of audiences.

A1.80 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.

A1.81 In addition, we continue to promote the safety of audiences when consuming content online, particularly in the case of children.

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

A1.82 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.

A1.83 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 whether licensees are meeting their requirements 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 that 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

A1.84 Ofcom is responsible for regulating on-demand programme services (ODPS) and ensuring that they observe relevant standards. This includes protections against 'specially restricted material', such as R18 content, and prohibited material which would be refused a BBFC[6] classification. This follows regulations introduced in 2014 confirming that ODPS online should be subject to the same classification standards as offline material.

A1.85 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 and parents' media use and attitudes.

A1.86 We will undertake a range of work which, in combination, will seek 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.

A1.87 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 that it publishes;

- 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 Audio Visual Media Services (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 (UKCCIS), including chairing the working group on social media. We are able to inform UKCCIS'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.

A1.88 The Government has stated[7] that it expects companies across the internet value chain to ensure that all internet-enabled devices are supplied with child safety tools

[6] British Board of Film Classification
[7] Department for Culture, Media & Sport, Connectivity, content and consumers: Britain's digital platform for growth, July 2013,

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 awareness of, confidence in, and take-up of parental controls.

A1.89 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.

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

A1.90 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.

A1.91 We have identified outcomes for each of our priorities, as shown in Figure 5 below.

A1.92 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.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/225783/Connectivity_Content_and_Consumers_2013.pdf.

Figure 5: Annual Plan 2015/16 priorities and outcomes

	STRATEGIC PRIORITIES	INTERIM OUTCOMES	FINAL OUTCOMES
Promote effective competition and informed choice	Undertake a Strategic Review of Digital Communications	Ofcom continues to have a clearly defined strategic framework for its decisions which considers current and future market developments. We give consideration to opportunities for deregulation of digital communications providers and services	The digital communications sector delivers efficient investment, with focussed regulation to deliver competition. A consistent strategic framework provides appropriate regulatory certainty to the market
	Ensure effective competition in the provision of communications services for businesses, particularly SMEs	*Business connectivity market review*: Complete a review of the business connectivity markets and introduce remedies if necessary	*Business connectivity market review*: Promote competition in the supply of business connectivity services and create conditions to allow the market to deliver sustainable investment and innovation in infrastructure
		Enable SMEs to get the best out of communications services: 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	*Enable SMEs to get the best out of communications services*: 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 that processes for switching communications services across a range of technologies and products do not deter consumers from changing provider	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	Implement reform of non-geographic numbering to ensure price transparency	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 Openreach's performance and ensure that it publishes timely KPI updates against its obligations with regard to installing and repairing fixed lines.	Customers benefit from an improved level of quality of service for the provision and repair of communications services provided over Openreach'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	Improvements in levels of consumer harm caused by each issue, as evidenced by 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 performance research in Q3 2015/16 and 2G, 3G and 4G coverage research in Q3 2015/16. We will develop new mobile interactive coverage maps, allowing consumers to check where coverage is available. Consumers will also be able to provide feedback to Ofcom when they experience areas of poor 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	*Award of 2.3GHz/3.4GHz bands:* Finalise technical conditions for release of bands. Finalise auction policy, design and regulations, and conduct auction	*Award of 2.3GHz/3.4GHz bands:* Increase in amount of available spectrum to meet growing demand for wireless services, delivering wider consumer and citizen benefits
		Change of use of 700MHz band: Complete pre-WRC-15 international discussions on harmonisation of band and agree main station DTT frequency plan	*Change of use of 700MHz band: C*hange of use for mobile broadband consistent with future international harmonisation and widespread availability of DTT and continued availability of spectrum for PMSE
	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. Ofcom develops and prioritises our inputs to the various international spectrum committees at European, regional and global level, maximising our influence to deliver thinking and outputs consistent with UK policy.	UK has clearly articulated policy positions which are effectively presented and argued at the WRC in November 2015. Positions are agreed with Government and take into account the needs of UK stakeholders appropriately. UK is a highly respected participant in international spectrum committees, resulting in European spectrum decisions being developed in line with UK interests.

	STRATEGIC PRIORITIES	INTERIM OUTCOMES	FINAL OUTCOMES
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 potentially harmful or 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

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 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
• 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	• 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	• 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	• Conclude our review of spectrum requirements for programme-making and special events • Improve the planned use of UHF spectrum • Apply annual licence fees for 900 MHz and 1800 MHz 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	• 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, and where appropriate by devolved administrations

- 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 the 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 purposes.

Strategic purpose 1: promote effective competition and informed choice

Promote effective competition and informed choice

- 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

Work to ensure fair and effective competition in broadcasting services

Review of the 'wholesale must offer' obligation

A2.3 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.

A2.4 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 our 2010 pay TV review decision, we committed to reviewing this remedy.

A2.5 Last year we launched our review of 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. We plan to set out the conclusions of our assessment, and, where necessary, consult further on any proposed remedies for ensuring fair and effective competition, during the course of 2015.

Assessment of access to on-demand services on TV platforms

A2.6 In recent years there have been a number of market developments in the provision of TV services, with video on-demand services, often delivered over-the-top using the internet, increasing in popularity. Services such as BBC iPlayer provide viewers with the ability to access content at any time, at any place and on a range of devices, with the potential to offer personalisation, greater convenience and deeper engagement.

A2.7 Viewing of traditional linear broadcast TV continues to have enduring appeal and many viewers access on-demand services through established linear TV platforms. We are looking at how consumers engage with on-demand services and factors which may influence linear platform developments to assess whether there is likely to be effective competition in the delivery of these new content services to the benefit of consumers.

A2.8 We recently published terms of reference for this assessment on which we have invited comments, and anticipate publishing a consultation document setting out our preliminary findings in the autumn.

Consideration of broadcasting transmission services

A2.9 In 2005 we concluded a review of the market for broadcasting transmission services. As a result of this review, we found that Crown Castle and ntl:broadcast (which now both form part of Arqiva) both had 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.

A2.10 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

A2.11 In November 2014 we opened an investigation into how the Premier League sells live UK audiovisual 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 6 of this plan, which sets out our duties and responsibilities under our concurrent competition law powers.

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

A2.12 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.

A2.13 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.

A2.14 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.

A2.15 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 consult on draft guidelines in Q3 2015/16 and publish the final guidelines in spring 2016. These will be informed by a review, now under way, of the way BT currently allocates its costs in the regulatory financial statements.

Commence the fixed access and narrowband market reviews

A2.16 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.

2.16.1 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.

2.16.2 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 April 2015, a first consultation in the first half of 2015/16 and a second 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.

A2.17 We will also monitor and, if required, enforce compliance with obligations we introduced as part of the last FAMR. For example, in March 2015 we set out our approach to regulating the margin BT must maintain between its wholesale price for Virtual Unbundled Loop Access (VULA, a wholesale product which BT and other operators use to supply consumers and businesses with superfast broadband) and its retail superfast broadband prices. BT is required to provide details of the costs and revenues necessary to demonstrate its compliance with the VULA margin condition every six months. The first compliance report will be required for our consideration two months after the condition comes into force in April 2015, covering BT's first month of compliance.

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

A2.18 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

A2.19 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.

A2.20 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 the performance of mobile broadband services

A2.21 We publish research into the performance of mobile broadband services to help consumers understand the differences in performance between 4G and 3G mobile services, as well as mobile coverage information. This will include new interactive mobile coverage maps to enable consumers to compare the mobile coverage that each MNO offers across the UK's nations.

Quality of experience in mobile voice services

A2.22 In Q3 2015/16 we plan to publish an update to our 2014 research into the quality of experience that different mobile operators provide with regard to mobile voice services (measured as the percentage of mobile calls that are successfully completed on each of the operators' networks).

Quality of experience in fixed broadband services

A2.23 We will continue to investigate methods of measuring overall quality of experience in broadband internet services.

A2.24 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 may play an important role in how internet services perform.

A2.25 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

A2.26 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.

A2.27 In 2015/16 we will publish quarterly data on the volume of complaints Ofcom receives (per 1000 subscribers of a particular provider). These data relates to landline, broadband, pay-monthly mobile and pay TV services for the largest providers. The Q2 and Q3 publications for 2014/15 have been delayed whilst we carry out checks to validate the accuracy of the data but we expect to publish these reports as soon as our data checks are completed and will follow up quickly with publication of Q4 2014 data to bring us fully up to date.

A2.28 We will also publish a customer satisfaction survey in 2015/16, which will assess consumer opinions of the quality of customer service in the fixed line, mobile, fixed broadband and pay TV markets.

Other relevant work areas

A2.29 Other areas of work addressed in this Plan contribute to our aim to better inform consumers. For example, we 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

A2.30 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.

A2.31 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

A2.32 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.

A2.33 Ofcom has been working with the NICC (a technical forum for the UK communications sector that develops interoperability standards) and communications providers to improve ways of tracing nuisance calls across networks.

A2.34 A longer-term goal is the introduction of CLI 'authentication' practices. In 2015/16 we will engage with UK and international bodies to promote further improvements to the information available to users about who is calling them (i.e. caller line identification), particularly when calls pass between networks. 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 Internet Engineering Task Force (IETF) and ITU, and we 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.

A2.35 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 BEREC.

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

A2.36 When consumers and citizens use internet-connected devices, the data generated have the potential to enable the providers of commercial and public services to deliver a wide range of attractive new services to consumers. In January 2015, we published a summary of responses to a call for inputs on the Internet of Things (IoT). Several responses highlighted the importance of securing consumer trust to help ensure that consumers are willing to share their device data with others in ways that support growth and innovation in the IoT.

A2.37 Industry has a clear incentive to raise levels of consumer trust, and to this end we will continue to work with relevant UK and international organisations, including the Information Commissioner's Office (ICO), to identify and explore solutions to data privacy issues around the IoT. For example, we will work with other relevant stakeholders in a facilitating role with the aim of establishing best practice for consumers to transparently authorise the use of their device data, and for the secure processing and storage of this data.

A2.38 We will continue to work in partnership with the CMA, the Financial Conduct Authority, the ICO and PhonepayPlus to provide consumer guides offering advice on safer use of smartphones and apps. We will continue to work with these regulators to share expertise on data-related consumer protection matters more generally

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

A2.39 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 accelerating this process.

A2.40 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 intervene where appropriate.

A2.41 We anticipate that with the increased use of IP-based voice networks by the 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.

A2.42 We therefore intend to publish a call for inputs in Q1 2015/16 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.

A2.43 In conjunction with this wider review of voice over next-generation networks, we intend to specifically consider 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 intend to work with stakeholders to understand the most effective ways to ensure citizens are able to contact the emergency services.

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

A2.44 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.

A2.45 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

A2.46 The voluntary Broadband Speeds Code of Practice, agreed by Ofcom and all the UK's largest ISPs (collectively providing over 95% of retail broadband connections), came into force in January 2009 and was revised in 2010.

A2.47 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.

A2.48 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.

A2.49 We are in the final stages of reviewing the Voluntary Code for Broadband Speeds and intend to publish a revised Code in Q1 2015/16.

Fair contract terms

A2.50 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.

A2.51 We will carry out work looking closely at the level and impact on consumers of network service issues, such as loss of home broadband or poor mobile coverage. We want to ensure that providers are treating consumers fairly in these circumstances and where we identify areas of concern, we will seek to identify solutions and work with stakeholders to address them.

Alternative dispute resolution

A2.52 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 the light of our duty to secure the provision of the universal postal service

Understand and promote the interests of vulnerable citizens and consumers

A2.53 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

A2.54 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.

A2.55 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. Although this deadline was missed (and a penalty was imposed as a result), the enhanced service is now in place and has been well received by users.

A2.56 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.

A2.57 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, the Government and industry as appropriate to assist in this.

Improving the quality of live subtitling

A2.58 Given continued concerns about the quality of live subtitling, we began a two-year project in 2013 to highlight areas for improvement and encourage broadcasters to act on these by measuring samples of live subtitles and publishing the results. In 2014/15 we published two reports on the accuracy, latency and speed of samples of live subtitling from major broadcasters.

A2.59 We will publish two further reports in Q1 and Q3 2015/16, 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

A2.60 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.

A2.61 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

A2.62 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.

A2.63 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.

A2.64 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 cases of telecoms debt; and
- raise greater awareness of the most affordable deals.

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

A2.65 As a result of the developments described in paragraph A1.37, we postponed work relating to postal services that was identified in the 2014/15 Annual Plan.

A2.66 Following this, and in the 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 Q1 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 mail integrity code of practice (Q4 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 • Apply annual licence fees for 900MHz and 1800MHz spectrum • Work with the 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

A2.67 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.

A2.68 We will continue our work on 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 700 MHz band.

A2.69 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.

A2.70 During Q1 2015/16 we will consult with PMSE stakeholders on ideas for simplifying and improving the current licensing process. Depending in part on the nature of those responses, we expect to engage further with stakeholders and consult on the implementation of any changes later in the year.

Improve the planned use of UHF spectrum

UK planning model

A2.71 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.

A2.72 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.

A2.73 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.

A2.74 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 Q2 2015/16.

UHF Strategic Review (420MHz to 470MHz)

A2.75 In January 2013 we started work 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.

A2.76 A call for inputs was published in December 2014 and the review stage of this project is due for completion in late 2015. We plan to publish a consultation in Q4 2015/16. Implementation aspects will be covered by a new project following this review.

Apply annual licence fees for 900MHz and 1800MHz spectrum

A2.77 In 2010 the Government directed Ofcom to revise the fees paid for the 900MHz and 1800MHz spectrum bands to reflect their full market value, after the completion of the 4G auction. We have been consulting on these fees since the conclusion of the 4G auction in February 2013. In December 2014 the Government and the mobile network operators agreed that the operators would implement 90% geographic voice coverage throughout the UK by no later than 31 December 2017.

A2.78 At the time of the December agreement, we agreed that we would provide all interested parties with the opportunity to comment on whether the new geographic voice coverage obligation, taking account of the associated incremental costs incurred by the operators, should affect future licence fees. We issued a consultation on this subject in February 2015.

A2.79 Subject to this consultation, Ofcom will make a final decision on annual licence fees which, subject to those decisions, are likely to come into effect later this year.

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

A2.80 Ofcom manages spectrum for the emergency services. In this role we have been supporting the Government in its consideration of the emergency services' future wireless communication needs.

A2.81 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).

A2.82 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

A2.83 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 towards achieving this.

A2.84 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 in particular locations by existing services.

A2.85 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.

A2.86 Having completed a pilot of the framework for accessing TV white spaces, we published our policy statement in February 2015. 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. We plan to publish a statutory consultation on the licence exemption for white space devices in Q2 2015/16, and a statement when we make the regulations in Q3 2015/16.

A2.87 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 A1.67.

Further opportunities for spectrum sharing

A2.88 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.

A2.89 Spectrum sharing is already extensive, with 58% of the spectrum shared between two or more users.[8] Growing and competing demands 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.

A2.90 In Q1 2015/16 we plan to publish a call for inputs to help us to develop our approach to spectrum sharing, including potential new tools and new opportunities. Following further stakeholder consultation in Q3 2015/16, we may set up new projects to deliver those opportunities that we identify as priorities.

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

Mobile data strategy and preparing for 5G

A2.91 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.

A2.92 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.

A2.93 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 A1.72);
- 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; and
- develop our understanding of emerging technological developments and their implications for spectrum use.

A2.94 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 may be suitable for future 5G services, there is also likely to be demand for bands above 6GHz for 5G services. We published a call for inputs on bands above 6GHz in January 2015 and will publish an update in Q1 2015/16.

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

Potential spectrum requirements for the Internet of Things (IoT)

A2.95 In our *Spectrum Management Strategy* we set out our broad approach to managing radio spectrum across a number of industry sectors. The IoT was identified as an important area for further study, on the basis of stakeholder engagement and our own analysis of future market size.

A2.96 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 IoT. In particular, we asked for opinions on requirements for spectrum, network security and resilience, data privacy and the importance of international harmonisation.

A2.97 The number and tone of the responses we received indicated that there is broad stakeholder agreement with our view that the IoT will generate significant benefits to citizens and consumers across a range of industry sectors.

A2.98 Our assessment is that there will be sufficient spectrum available in the next five years to support growth and innovation in the IoT. During 2015/16, we will continue to monitor whether spectrum access will be a constraining factor in the longer-term development of the IoT.

A2.99 During 2015/16 we will continue to explore ways in which spectrum can be made available to IoT devices. This may include spectrum in the 55-68MHz range. We will also work with industry, Government and other relevant bodies to investigate approaches to providing secure and resilient access to IoT networks and personal data.

Carry out a strategic review of the satellite and space science sectors

A2.100 In order to inform our future strategy for these sectors, we are carrying out a review of access and use of the spectrum by satellite and space science users. Our aim is to improve our understanding of current and future demands for services and applications, 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

A2.101 Recent experience has highlighted the problems caused by devices with poor filtering of radio frequency (RF) emissions outside the frequencies at which they are licensed to operate, or whose receivers ‘listen’ to RF signals outside their designated frequencies.

A2.102 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.

A2.103 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.

A2.104 Over the coming 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

A2.105 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 published a consultation in January 2015.

A2.106 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.

A2.107 We expect to publish our final statement during Q1 2015/16.

Complete our review of the EPG code

A2.108 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 the light of this, Ofcom has decided that it is appropriate to review the code.

A2.109 We are intending to consult on this, setting out new proposals for the securing of prominence for public service channels. Following consultation, we would publish a new code.

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

A2.110 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, where software running on low-cost and readily-available computer equipment is used instead of bespoke broadcasting equipment or 'hardware'.

A2.111 Although the equipment used in Brighton was a prototype, it demonstrated 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.

A2.112 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.

A2.113 We published a consultation on our approach to licensing short term small scale multiplexes for the purposes of a technical trial in October 2014. We have published our concluding statement and invited 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 2016/17, with Ofcom's final report to DCMS due in summer 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, and where appropriate by devolved administrations

Contribute to and implement public policy defined by Parliament, and where appropriate by devolved administrations	• 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

A2.114 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.

A2.115 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.

A2.116 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.

A2.117 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.

A2.118 This consultation closed 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

A2.119 In our Draft Annual Plan we outlined Ofcom's response in October 2014 to the Smith Commission's invitation to contribute to its deliberations on recommendations for further devolution to the Scottish Parliament.

A2.120 The Smith Commission published its recommendations on 27 November 2014. The UK Government published draft clauses on 22 January 2015 showing how these measures would subsequently be incorporated into legislation. We note that the draft legislation includes a number of provisions relating to Ofcom and its work, for example a power for Scottish Ministers to appoint one member of Ofcom's Board who is capable of representing the interests of Scotland.

A2.121 The Silk Commission published part two of its recommendations on devolution in Wales in March 2014. On 27 February 2015 the UK Government released a command paper as part of the St David's Day agreement on further devolution to Wales.

A2.122 We note that this includes a number of provisions relating to Ofcom and its work, for example a power for Welsh Ministers to appoint one member of the Ofcom board who is capable of representing the interests of Wales.

A2.123 In 2015/16, we will continue to work with the UK and Scottish Governments on the implementation of relevant parts of the Smith Commission Agreement, and with the UK and Welsh Governments on the implementation of the relevant parts of the St David's Day agreement.

A2.124 We will also continue to respond as appropriate to any proposals for the devolution of powers to national governments and legislatures elsewhere in the UK as they affect the communications sector.

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

A2.125 Under the Communications Act 2003 and the 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.

A2.126 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 the 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

A2.127 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.

A2.128 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.

A2.129 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.

A2.130 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 published a consultation on a set of proposed indicators in March 2015. 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

A2.131 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.

A2.132 We will continue to engage with the Government, industry and media regulators to develop a more consistent approach to audience protection across media.

A2.133 This work will link to our continuing contribution to debates on audio-visual media regulation. Ofcom is a member of the European Regulators Group for Audio-visual (ERGA), a new formal expert advisory group of audio-visual regulators in the EU Member States. The group will exchange good practice and advise the Commission on the consistent implementation of the AVMS Directive, in the run-up to a possible review of the Directive.

A2.134 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

A2.135 Legislative negotiations on elements of the European Commission's Connected Continent legislative package are ongoing, and it is not yet known 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.

A2.136 The new Commission (which took office in November 2014) is expected to present a "digital single market roadmap" relevant to our sector by the middle of 2015. We understand that it will focus on copyright and intellectual property rights, as well as modernising and simplifying consumer rules for online and digital processes. The Commission has indicated its intention to launch a revision of the Audiovisual Media Services Directive in early 2016, and a revision of the European Regulatory Framework is expected to be launched in the first half of 2016.

A2.137 Ofcom will remain engaged with these European policy debates, including with its counterparts in other Member States, through BEREC.

A2.138 We will also continue to provide support to the UK Government in relation to any legislative negotiations that might take place on issues relevant to the areas we regulate.

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

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
• Enforce competition e.g. through resolving disputes, investigating complaints under the Competition Act and imposing penalties where appropriate • Implement measures to 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	• Ensure efficient and effective programme standards enforcement • Assign broadcast licences, including those for local TV stations, and promote diversity and equality of opportunity in broadcasting

Contribute to and implement public policy defined by Parliament, and where appropriate by devolved administrations

- Engage with international stakeholders and participate actively in European regulatory networks
- Support the work of the UK Regulators Network

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. Our Enforcement Guidelines cover how we handle complaints concerning regulatory rules, as well as complaints under competition law. Chapter 6 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 A1.24 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.

A3.9 We are also reviewing the use of mobile numbers, including the definition of ‘mobile service’ used when allocating numbers from the 07 mobile number ranges. This includes considering our approach to applications to use mobile numbers for Internet of Things devices (machine-to-machine applications). We expect to consult on our review proposals later this year.

Strategic purpose 2: protect consumers from harm

Monitor network security and resilience

A3.10 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. We will continue to work with communications providers to ensure that they embed these changes.

A3.11 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 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.

A3.12 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 that the guidance is adopted in a proportionate way.

Strategic purpose 3: promote opportunities to participate

Carry out and publish market and consumer research

A3.13 We undertake a broad programme of research into communications markets and consumer preferences and behaviour, which helps inform how we meet our wider duties.

A3.14 Our annual research reports include the *Communications Market Report*, *International Communications Market Report*, and the *Consumer Experience Report*.

A3.15 Much of our research provides consumers with information about the characteristics of communications services offered by different providers, helping consumers to make informed purchasing decisions. In 2015/16 this research will include updated reports on:

- the performance of fixed broadband services;
- mobile coverage, including making interactive mobile coverage maps available to consumers;
- the performance of mobile broadband services;
- mobile voice quality of experience (the percentage of mobile calls that are successfully completed on each of the mobile operators' networks); and
- the complaints that we receive from consumers about telecoms services and operators.

Strategic purpose 4: secure optimal use of spectrum

Plan spectrum assignments and grant licences

A3.16 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.

A3.17 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 A4.35.

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

A3.18 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 resolve harmful interference and can help to mitigate it where it occurs.

A3.19 Our Spectrum Assurance Team handles around 2,000 reports of interference each year and carries out proactive management of the UK's spectrum 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 by issuing spectrum licences, facilitating the trading of spectrum licences and providing advice and assistance to spectrum users; and
- identify non-complaint equipment and prevent its sale.

A3.20 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.

A3.21 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.

A3.22 Finally, we are considering making a Statutory Instrument under the Wireless Telegraphy Act[9] so that our powers to address instances of harmful interference caused by electrical and electronic apparatus can be used in relation to a broader range of apparatus.

[9] Wireless Telegraphy (Control of Interference from Apparatus) Regulations 2015

Strategic purpose 5: maintain audience confidence in broadcast content

Ensure efficient and effective programme standards enforcement

A3.23 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.

A3.24 Ofcom considers all of the complaints it receives against the Broadcasting Code, which covers areas 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.

A3.25 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

A3.26 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.

A3.27 We have a duty to require broadcasters to put in place arrangements for the promotion of equal opportunities in employment 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.

A3.28 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. This is discussed at paragraph A2.114.

Strategic purpose 6: contribute to and implement public policy defined by Parliament, and where appropriate by devolved administrations

Engage with international stakeholders and participate actively in European regulatory networks

A3.29 We engage with a range of European and other international stakeholders in communications regulation, in order to learn from experiences in other markets and to try to shape policy thinking in the interests of UK citizens and consumers.

A3.30 We actively participate in 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.

A3.31 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.

A3.32 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 A1.72.

Support the work of the UK Regulators Network

A3.33 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. The UKRN's 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. The UKRN also seeks to promote competition and a positive environment for investment and to foster efficient regulation.

A3.34 The UKRN's work to date has focused on eight workstreams. Ofcom is leading the UKRN's work on resilience, innovation in infrastructure, and regulating for quality. Ofcom has also made significant contributions to the workstreams led by other regulators. The UKRN consulted on its 2015/16 annual plan in January 2015, which envisages further work in the following areas:

- cross-sector infrastructure investment;
- consumer engagement and switching;
- understanding affordability across sectors;
- cross-sector resilience;
- explaining the benefits of economic regulation;
- organisational development;
- market returns and the cost of capital; and
- regulating for quality.

A3.35 A final UKRN work plan for 2015/16 will be published later in the spring.

Corporate responsibility

A3.36 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.

A3.37 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;
- reduce our carbon footprint, provide value for money and ensure that Ofcom's practices are environmentally sustainable; and
- engage, inspire and develop colleagues while proactively seeking to support our local community.

A3.38 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, gender, marriage and civil partnership, and sexual orientation. First published in 2009, the SES brings together and strengthens Ofcom's commitments to diversity and equality.

A3.39 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.

A3.40 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.

A3.41 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 enables 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 Engineering and Technology's 'Young Female Engineer of the Year' award for the third year in a row;

A3.42 Since 2012 we have published an annual report on the diversity profile of colleagues, a duty under the Equality Act 2010. The findings of this report help inform our ongoing work to promote equality and diversity within Ofcom.

A3.43 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 as 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 that 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 bringing clarity and regulatory certainty to stakeholders and markets; and
- making the information we produce and services we offer easily 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 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 through 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 Q1 2015/16 and will look for opportunities to deregulate where appropriate.

A4.7 Further information on our approach to the BCMR can be found in paragraph A1.15.

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, and 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 published a consultation which considered 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. We will consider stakeholders' responses and issue a statement in Q1 2015/16. Further information on this review can be found in paragraph A2.105.

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 by removing requirements that are no longer necessary. We will consult in Q1 2015/16, 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 will introduce new regulation for wholesale mobile call termination

A4.17 We have recently completed our review of the UK mobile call termination (MCT) markets and have decided to introduce a charge control on all mobile communication providers (MCPs). We published our final statement on the MCT market in March 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 Under previous MCT regulation, the pricing obligations included a charge control for the four largest MCPs and an obligation to provide network access on "fair and reasonable" terms and conditions (including charges) for smaller MCPs. We have concluded that this approach has not been effective in encouraging smaller MCPs designated with significant market power, or new entrant MCPs, to charge no more than the benchmark MTRs, i.e. the charge-controlled MTR for the four largest MCPs.

A4.20 We have therefore decided to introduce a charge control on all MCPs 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, we have concluded that a simple charge control would be unlikely to be more burdensome than the previous "fair and reasonable" approach. We now plan to update our own-initiative MCT enforcement programme to reflect the changes to the regulatory obligations placed on MCPs.

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 Q1 2015/16.

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 July 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 will publish a statement in Q1 2015/16, setting out any changes to the code before the tariff changes take effect in July 2015.

We continue to review mail integrity rules

A4.26 We are continuing 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 Q2 2015/16.

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 use.

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 released more of the underlying data and analysis in an open 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 on a weekly basis.

A4.34 In December 2014 we launched a new online database of UK telephone numbers. This has simplified the process of applying for telephone numbers. Stakeholders now have access to real-time information on the numbers available for allocation and are able more easily to update Ofcom on the adoption and use of numbers. Making our internal database available online has also enabled more efficient internal processing of applications.

We will conduct a review of our approach to radiocommunications licensing

A4.35 As part of Ofcom's duty to manage the radio spectrum, we issue licences for radiocommunications users, from business radio and utilities to maritime radio users.

A4.36 We began a wide-ranging review of our radiocommunications licensing services in Q4 2015/16. We are looking to improve both stakeholders' experience and our efficiency.

A4.37 We will explore ways to make the licence application process easier and more accessible for stakeholders across the range of radiocommunications licences we issue. 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. If appropriate, we will consult later in 2015.

Annex 5

Summary of responses to the Draft Annual Plan and invitation to comment

Introduction

A5.1 We received 32 written responses to our Draft Annual Plan from companies active in a range of communications markets, and from trade bodies, charities, consumer interest organisations and individuals.

A5.2 In September 2014 we also invited stakeholders to propose issues and areas that they considered that Ofcom should prioritise in 2015/16. We received responses to the invitation to comment from 28 stakeholders.

A5.3 We have summarised stakeholders' main points in their responses to the Draft Annual Plan and invitation to comment below, under the strategic purpose to which they relate. We have responded to individual comments as appropriate (see italics). We have also published all non-confidential responses to the Draft Annual Plan and invitation to comment on our website.

A5.4 Where appropriate, we have reflected stakeholders' comments on the Draft Annual Plan and the invitation to comment in our work programme, taking into account our statutory duties and resource constraints. This is made clear in our replies below.

Comments on Ofcom's programme of work

Promote effective competition and informed choice

Undertake a Strategic Review of Digital Communications

A5.5 A number of stakeholders commented on matters that fall within the scope of the recently announced Strategic Review of Digital Communications.

A5.6 SSE plc, Vodafone, UKCTA and the Welsh Government proposed that Ofcom should review BT's Undertakings in the light of changes in market conditions since the Undertakings' inception.

A5.7 TalkTalk stated that Ofcom should consult on whether to refer issues around the BT Undertakings to the CMA. It stated that the CMA could examine the case for structural separation of Openreach from BT. It also argued that structural separation would be the simplest means to prevent potential delays to investment in fixed line networks and to improve quality of service.

A5.8 Rainbow Communications stated that the functional separation of Openreach in Northern Ireland would benefit fixed line competition.

A5.9 The Welsh Government argued that the structural separation of Openreach would represent the best and most sustainable solution to creating a diverse and healthy communications market, not just in Wales but across the UK.

A5.10 An individual stated that BT's investments in TV sports content meant that it should be required to divest itself of Openreach.

A5.11 BT, the CWU and KCOM stated that Ofcom should do more to incentivise network investment and to provide greater regulatory certainty to operators. BT and KCOM commented that Ofcom should ensure that regulation does not discourage investment in fibre optic access networks or the migration of customers to such technologies.

A5.12 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.

A5.13 EE considered that Ofcom should assess the cumulative impact of regulation on competition and investment in the sectors it regulates.

A5.14 *The Strategic Review of Digital Communications will examine these issues as part of a wider review of competition, investment, and the potential for deregulation in the fixed and mobile markets. While we cannot say now what the specific outcomes of this broad review might be, the questions that we would expect to answer include where the focus of competition policy should be in future ('the enduring economic bottlenecks') and how incentives for efficient investment and innovation can be maintained. This work is described in paragraph A1.6 above.*

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

A5.15 UKCTA and Vodafone agreed that it is necessary to assess how well fixed telecoms markets are meeting the needs of SMEs in terms of availability, prices and quality. BT urged Ofcom to minimise any burden of regulation with regard to the provision of services for SMEs.

A5.16 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.

A5.17 *Ofcom's current work to assess outcomes for SMEs in communications markets is includes examining the connectivity provided to SMEs, both including through both retail and wholesale markets. We plan to publish an initial document on this work in Q1 2015/16, where we will highlight any issues that we identify and propose future work as appropriate.*

A5.18 Several MNOs proposed that Ofcom should take action to promote competition in mobile backhaul. TalkTalk Three and Vodafone proposed that Ofcom permit communications providers to access Openreach's physical network via passive remedies such as dark fibre.

A5.19 The Welsh Government encouraged Ofcom to require BT, following any acquisition of EE, to offer open and equal wholesale access to its dark fibre infrastructure on a price-regulated basis. It supported the creation of a class of regulated fibre products for use by MNOs in rural areas, including in the nations.

A5.20 Vodafone asked that the business connectivity market review address issues concerning (it stated) the quality of service provided by Openreach in relation to

Ethernet products. It also suggested that price controls should be applied in order to protect users of legacy time division multiplexing (TDM) products.

A5.21 UKCTA stated that the BCMR should not allow Openreach a glide path to meeting Ethernet quality of service targets.

A5.22 *In carrying out the BCMR we intend to consider whether passive remedies such as duct access and / or dark fibre should play a part in addressing any competition problems we find in the market. We also intend to consider the quality of service associated with the provision of Ethernet services supplied by Openreach. We plan to consult with stakeholders on our findings and publish initial proposals in Q1 2015/16. The BCMR will assess the need for price controls for TDM products.*

Improve the process of switching providers for consumers

A5.23 The Communications Consumer Panel, the CWU, Dixons Carphone, Three, uSwitch and Which? proposed that Ofcom introduce new measures to encourage consumers to take advantage of improvements in switching processes. Variously, the proposed measures included: harmonised GPL switching processes across consumer communications products (including fixed broadband bundles, mobile and pay TV services); consistent consumer protection measures across all products; and measures to encourage consumer confidence in contract terms.

A5.24 The Communication Consumer Panel commented that GPL switching for mobile and pay TV services should be introduced more quickly than has been the case for fixed telephony and fixed broadband services.

A5.25 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 (including cable services) or mobile provider. Three stated that Ofcom should make switching mobile operator faster and easier and introduce GPL switching across markets by 2017.

A5.26 TalkTalk proposed that there was no need to consult further on implementing GPL switching across all bundles of communications products, including triple and quad play bundles. It argued that Ofcom should recommend to the Government that any necessary measures are taken in the next Parliament. Three stated that any questions over Ofcom's powers to introduce GPL switching should be resolved.

A5.27 *We are taking forward work to address barriers to switching. Regarding switching processes, we are currently implementing plans to harmonise switches for broadband and voice services provided on Openreach's copper network to a single GPL process. We are also keen to ensure that switching for mobile phone and for bundled services is as easy as possible for the consumer and we will come forward with proposals for reform, as needed, later in 2015*

A5.28 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.

A5.29 Which? stated that consumers have to pay unnecessary costs when switching providers, for example to unlock mobile handsets. Mr J P Gilliver argued that Ofcom should address issues around the locking of mobile handsets to mobile networks.

A5.30 Three and Which? argued that overly complex pricing and charges (as well as the complexity of switching processes) may cause consumer harm. Which? argued that Ofcom should undertake work to encourage operators to make tariffs simpler, including by separating mobile service and mobile handset charges.

A5.31 *We believe our work on switching processes will enable consumers to switch with greater ease, confidence and convenience, and so minimise switching costs. Our switching work also includes identifying and addressing non-process barriers to switching. For example, in 2014 we published a consumer guide to mobile handset locking and unlocking; we plan further work on this topic in 2015. We will also undertake work to examine the conduct of losing providers when consumers try to switch.*

A5.32 *We agree that it is important that consumers are able to compare prices and offers easily. Our consumer research suggests that many consumers can already do this. A number of tools and methods are available to assist consumers (including those who find it less easy), such as price comparison websites. We are pursuing work to ensure that price comparison websites accredited by Ofcom provide tools that are useful and easy to use.*

A5.33 uSwitch proposed that Ofcom should require operators to prompt consumers about the end of their 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.

A5.34 *Our work on switching processes will also include consideration of the possible net benefits to consumers and competition of prompting consumers when they are near the end of contracts and may benefit from considering switching.*

A5.35 *We agree that consumers should be in an informed position when they make price and service comparisons between providers. Concerning broadband speeds, a number of online tools are available to consumers to check speeds. Furthermore we have published a Code of Practice designed to ensure that consumers understand what download speeds they might expect and what might affect these. For mobile coverage, consumers have access to coverage information from providers' websites. Ofcom also published operator-specific coverage data in the* Infrastructure Report 2014 *and we plan to update this regularly.*

A5.36 Vodafone proposed that further work on switching processes (and consumer information on broadband download speeds) would be disproportionate. It stated that consumer satisfaction with mobile number porting is improving following industry investment.

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

A5.37 BT proposed that work to secure a competitive pay TV sector, including our review of the TV platforms market, should be one of our main priorities for 2015/16 (and therefore not considered as other significant work).

A5.38 *In recent years there have been a number of market developments in the provision of TV services. For example, video-on-demand (VOD) services, often delivered over-the-top using the internet, have increased in popularity. We are looking at how consumers engage with on-demand services, and factors which may influence linear digital TV platforms, to assess whether there is likely to be effective*

competition in the delivery of these new content services to the benefit of consumers.

A5.39 *We recently published terms of reference for this assessment, on which we have invited comments, and anticipate publishing a consultation document setting out our preliminary findings in autumn 2015.*

A5.40 TalkTalk argued that the wholesale must-offer (WMO) provision should apply to both Sky and BT, owners of TV rights for top football matches, starting from next season.

A5.41 The CWU stated that Ofcom should ensure that "dominant" pay TV operators do not withhold wholesale supply of premium film and sports content unreasonably.

A5.42 *We are reviewing the extent to which the WMO remains appropriate or whether it needs to be removed or modified. We recognise that the pay TV sector is evolving rapidly and our review of the WMO will take account of developments in the market, including the outcome of the latest Premier League auction. We published a consultation in December; we plan to set out the conclusions of our assessment and, where necessary, consult further on any proposed remedies in 2015.*

A5.43 Mr Wally Sawyer stated that encrypted TV channel services on the Sky platform ought not to be permitted to broadcast adverts as well as receive subscriber fees from Sky. He argued that this gave such services an undue competitive advantage over free-to-air services.

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

A5.44 TalkTalk proposed that Ofcom should ensure that BT's Regulatory Financial Statements allocate its costs appropriately and that the relevant framework does not allow it to inflate regulated wholesale prices artificially.

A5.45 *Following our review of the regulatory financial reporting regime, we decided in 2014 to introduce changes to BT's reporting requirements. The new requirements have now been implemented in the fixed access and WBA markets. The changes which we have introduced seek to give Ofcom a greater role in the way BT prepares the Regulatory Financial Statements. In particular, BT is required to inform us of its proposed changes to cost allocation rules and we have the ability to block the proposed changes if we consider that they are contrary to BT's obligations.*

A5.46 *In addition, we are about to issue a statement which will set out requirements obliging BT to reflect certain regulatory decisions made in the 2014 fixed access and WBA market reviews in the Regulatory Financial Statements to ensure consistency. We will consider how consistent regulatory reporting should be implemented across all regulated markets as we undertake our periodic market reviews. We have also started a review of BT's cost allocations. We will assess as part of this review whether the cost allocation rules which BT uses are appropriate and, if not, how BT's costs should be allocated for the purpose of making regulatory decisions.*

Commence the fixed access and narrowband market reviews

A5.47 TalkTalk stated that the Annual Plan should make reference to enforcement of guidance on the regulation of the VULA margin.

A5.48 *We will review markets and consider ex-ante remedies where we believe there is an enduring competition problem that cannot be addressed though competition law. We published our final statement on our approach to the VULA margin in March 2015. This approach is designed to ensure that communication providers have sufficient margin to be able to compete with BT in the provision of superfast broadband packages to consumers. It also continues to provide BT with pricing flexibility for VULA that preserves its investment incentives in relation to superfast broadband. Our planned monitoring work in this area is set out in more detail in paragraph A2.17.*

A5.49 Mr Frank Knowles argued that Ofcom had not enabled sufficient competition or improvement to fixed access services in areas without unbundled exchanges. He stated that increases in line rental prices were enabling BT's investment in sports content and fibre roll-out, 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.

A5.50 *Local loop unbundling (LLU) is available everywhere in the UK. BT's competitors choose where to use it based on their own commercial judgement. The areas where LLU is not used are generally those where BT's competitors would incur higher costs. Ofcom regulates the wholesale prices of BT's telephone and broadband lines in these non-LLU areas. The most recent price controls for these services were introduced in June 2014 and these controls require continuing price reductions.*

A5.51 The Consumer Council for Northern Ireland raised concerns about the installation and repair times for Openreach's fixed line and Ethernet services. The Council noted the high level of complaints that it receives from consumers about telecoms.

A5.52 UKCTA stated that Ofcom should enforce Openreach's quality of service obligations rigorously. Vodafone proposed that Ofcom should set out in more detail how it will enforce quality of service requirements. 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.

A5.53 The CWU stated that all fixed access network operators should be subject to equivalent quality of service minimum standards.

A5.54 An individual argued that Openreach has insufficient incentives to improve the quality of service that it offers its customers, or its processes for connecting unserved premises. They proposed that the creation of an independent authorising body could enable other communications providers to compete with Openreach in delivering network services.

A5.55 *In 2014 Ofcom placed obligations on Openreach in relation to the installation and repair times for its fixed copper telephone lines, under the fixed access market review. These obligations require Openreach to meet service level agreement (SLA) targets for installations and repairs and to make payments to its wholesale customers where it fails to do so. In addition, the obligations require Openreach to achieve an overall minimum standard for installations and repairs and it can be fined if it fails to achieve these standards.*

A5.56 *Ofcom is considering the best way to ensure that Openreach delivers good levels of service for its Ethernet products in the current BCMR.*

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

A5.57 The Communications Consumer Panel expressed disappointment that Ofcom had not recently published complaint data for the main communication providers.

A5.58 *Reports on complaints data for Q2 and Q3 2014/15 have been delayed due to the need to carry out additional data checks. The reports will be published as soon as possible. Following a review of the scope of our reports, they will contain complaints data on a wider range of communications providers than previous reports.*

A5.59 OpenSignal supported Ofcom's work to publish information on mobile broadband coverage and speeds. It argued that, for data collection, a crowdsourced approach would bring methodological advantages.

A5.60 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. It proposed that Ofcom should work with industry to undertake ongoing reviews of data collection. Vodafone stated that Ofcom should engage with communication providers in order to benefit from their experience in collating and communicating mobile coverage data.

A5.61 EE stated that Ofcom should set out more clearly the circumstances under which it will work to provide consumer information. It considered that some Ofcom consumer information publications are difficult for consumers to understand or would otherwise be provided by third parties.

A5.62 *We aim to ensure that our consumer information publications are helpful to consumers and we work with a range of stakeholders, including consumer representatives, industry and intermediary providers of information, to achieve this.*

A5.63 The Ofcom Advisory Committee for Northern Ireland stated that Ofcom should do more to publicise its research publications.

A5.64 *We aim to share our research widely. We will continue to publicise our research via news releases and engagement with the media. We will notify stakeholders when new research is published via email updates and direct engagement. We will continue to make our research easy to find and to access by keeping a dedicated research page on our website up to date, available from the Ofcom homepage.*

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

A5.65 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 judgment in the 08X dispute.

A5.66 *Ofcom's* Dispute Resolution Guidelines *(issued in June 2011) set out the approach Ofcom is likely to take in resolving the regulatory disputes that it accepts for resolution. The guidelines make clear that each referral will be assessed on its facts on a case-by-case basis. The purpose of the guidelines is not therefore to discuss applicable case law or the substance of individual disputes and we have no plans to update the guidelines at the present time.*

Other responses on competition matters

A5.67 *A number of respondents commented on general competition matters. We note that some of these fall within the scope of the recently-announced Strategic Review of Digital Communications, which is described at paragraph A1.6 above.*

A5.68 The CWU argued that Ofcom should extend any competition remedies that it applies to a dominant operator to other operators in geographic areas where such other operators have significant market power.

A5.69 *Where Ofcom finds an operator to have significant market power (SMP) it is required to impose regulations on that operator to address the identified SMP.*

A5.70 Three and Vodafone argued that Ofcom's overall regulatory approach should 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.

A5.71 *We recognise the value of competition in delivering good consumer outcomes. We also recognise that, in some cases, direct intervention is the most appropriate course of action in order to protect consumers from harm. We seek to balance the need to protect consumers from harm with our duty to promote competition.*

A5.72 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 should undertake work to understand the likely impact of 5G on competition. SSE plc stated that Ofcom should consider the impact of the proposed merger of BT and EE on competition in fixed and mobile communications markets.

A5.73 *We do not have any specific plans to undertake a review of the mobile sector, but some aspects may be addressed by the recently announced Strategic Review of Digital Communications. This work is described at paragraph A1.6 above. In addition we will provide support at the request of the relevant authorities in relation to proposed mergers in the sector.*

A5.74 EE argued that Ofcom's approach to mobile call termination regulation should recognise the importance of promoting investment in mobile broadband networks.

A5.75 *We are in the process of adopting new regulation concerning mobile call termination (MCT) for the period April 2015-March 2018. As part of our policy assessment, we have considered what impact our decision would have on competition and investment incentives in the mobile market, specifically in the context of the choice of cost standard used for the MCT charge control.*

A5.76 *Our view is that the decision to adopt the long run incremental cost (LRIC) standard, which results in a lower regulated mobile termination rate (MTR), should encourage competition. However we also considered whether it could reduce the returns on investments made by mobile operators. We concluded that, if competition were to lead to lower prices and reduced returns on investments, such an effect would be very small and unlikely to discourage efficient investment. Any increase in competition could also drive increased investments as operators invest to provide competitive services.*

A5.77 *We have noted from empirical evidence that investment has not been harmed by previous, much larger, falls in MTRs, and do not consider that effects on investment and innovation would be any more pronounced following our recent decision.*

Protect consumers from harm

Implement reform of non-geographic numbering to ensure price transparency

A5.78 Mr J P Gilliver argued that paid-for non-geographic numbering should be simplified in order to prevent consumer confusion. 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.

A5.79 The CWU called for Ofcom to review whether the overall costs of calls to non-geographic numbers are excessive.

A5.80 *Our major changes to non-geographic numbers come into force in July 2015. These include making 0800 numbers free from all telephones, including mobiles, and unbundling the revenue-sharing ranges (084 / 087 / 09 / 118) to improve price transparency for consumers. We are also continuing our work on the 070 / 076 ranges to deal with consumer confusion and fraud in these ranges.*

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

A5.81 The Communications Consumer Panel urged Ofcom to work with other organisations to reduce the occurrence and impact of nuisance calls. The Panel argued for the provision of free caller line identification for consumers.

A5.82 Mr J P Gilliver stated that fixed voice operators should have statutory duties to prevent caller line identification spoofing. Another individual proposed that operators should identify calls originating outside the UK via caller ID and display only validated caller IDs.

A5.83 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.

A5.84 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. Vodafone was supportive of Ofcom's work with regard to nuisance calls but argued against introducing specific requirements for point of sale consumer advice.

A5.85 *Caller line identification (CLI) information presented with a call is a useful tool to assist those consumers who take the service from their provider to identify callers and filter out nuisance calls. However, in some cases CLI information may be withheld, missing, or deliberately set inaccurately by the caller in a practice known as 'spoofing', in order to mislead the consumer. UK communications providers have worked together to agree a technical standard which makes the process of tracing the true identity of the caller more effective, even if the CLI is withheld or spoofed.*

A5.86 *Longer term work is underway on international technical standards which, if widely adopted by communications providers and equipment manufacturers, will make the process of spoofing much more difficult. UK operators are also finalising changes to the existing technical rules on how CLI information is handled in and between networks of different types. Together, these developments should continue to increase the accuracy, and therefore the usefulness, of the CLI information received by consumers.*

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

A5.87 Dr Sally Broughton Micova stated that Ofcom should understand that 'harm' to consumers can 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.

A5.88 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.

A5.89 The Communications Consumer Panel encouraged Ofcom to pay close attention to privacy and security issues facing consumers. It suggested that Ofcom make more detail available on its work in this area and work with other organisations to support consumers and micro businesses.

A5.90 *Ofcom has commissioned various research reports to better understand consumer perceptions of engaging online and use of their data, such as:*

- *Being online: an investigation of people's habits and attitudes;*
- *Apps environment; and*
- *Adults' Media Use and Attitudes Report 2014.*

A5.91 *Ofcom has also published its report on next steps to support the Internet of Things (IoT). One of the four key areas identified in the report, following input from stakeholders in 2014, was data privacy. Ofcom will work with the Information Commissioner's Office, the Government, other regulators and industry to explore solutions to data privacy issues in the IoT.*

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

A5.92 BT, KCOM and UKCTA stated that Ofcom should prioritise work to determine how consumers will be able to access the emergency services on next-generation voice networks. KCOM and UKCTA argued that to require operators to provide battery back-up on all-fibre networks would be disproportionate.

A5.93 *Access to the emergency services constitutes an important element of the provision of communication services and will remain so as next generation networks are deployed. We are conscious that communications providers are looking to develop and deploy new access technologies and offer new and innovative services to consumers. The question of how best to ensure the protection of citizens in the light of these technological developments is one that we continue to assess. We are*

committed to working with stakeholders to establish how this can be achieved, given the network technologies and architectures that they intend to adopt.

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

A5.94 Citizens Advice and Citizens Advice Scotland stated that there is scope to improve the visibility of complaints procedures for postal products and services, for example by providing clear information about the external redress scheme. They also stated that insufficient consumer research has taken place into consumers' experience of postal complaints processes. They considered that this is an opportune time to consider whether the current consumer complaints handling standards and systems are proportionate and work effectively in the consumer interest, with regard to both regulated and non-regulated postal operators.

A5.95 The Consumer Council for Northern Ireland requested that Ofcom examine regulated postal operators' compliance with consumer protection measures and assess the suitability of the current complaint-handling framework for all operators.

A5.96 Citizens Advice stated that it is necessary for Ofcom to review potential redress systems for parcel operators, including by engaging with the European Commission.

A5.97 *We are currently consulting stakeholders on postal complaints handling.*

A5.98 An individual stated that Ofcom should act to improve customer services for consumers who have difficulty using voice telephony, in particular with regard to customer services provided by email.

A5.99 *We are currently working to address issues around communications providers' customer services. We will also continue to carry out and publish research on the quality of customer service each year. Our work covers all ways of reaching customer services, including voice and email.*

A5.100 uSwitch suggested that Ofcom should review how well existing consumer protection provisions serve the needs of consumers who take 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.

A5.101 *We agree that it is important to ensure consumers are protected across bundles, and our work is focused on protection for both single services and bundles of electronic communications services.*

A5.102 Dr Sally Broughton Micova and another individual stated that Ofcom should continue to address consumer harm from price increases within fixed term contracts.

A5.103 BT called for rigorous enforcement of rules on mid-contract price increases. 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.

A5.104 *Ofcom's 2013 guidance on price rises in fixed term contracts took an evidence-based, balanced approach to secure fairness. We will continue to keep the guidance under review.*

A5.105 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.

A5.106 *We consider that consumer protection for bundled services is equally important as for services purchased alone. Our consumer policy and protection work aims to protect all consumers proportionately and within the framework provided by the General Conditions and cross-sectoral consumer legislation. Ofcom will continue to monitor and take action in respect of unfair contract terms, including mid-contract price increases, in 2015/16.*

A5.107 An individual proposed the establishment of a dedicated ombudsman for quicker resolution of businesses' disputes with communications providers.

A5.108 *The current framework under the Communications Act and Ofcom's General Conditions provides a dedicated ombudsman service for residential and small business consumers with up to ten employees. Providers are obliged to set out their complaints handling rules and dispute resolution, as well as being obliged to be a member of one of the two Ofcom approved Alternative Dispute Resolution (ADR) schemes. Businesses with more than ten employees will need to seek their own independent legal advice, but some providers will still provide the right to go to ADR with a dispute, at their own discretion. Our research also found that most business complaints are resolved before the eight week window before which ombudsman services are available.*

Other responses on consumer protection matters

A5.109 Which? stated that operators should be permitted to advertise only those download speeds that most consumers are likely to experience. It also thought that operators should have to do more to quantify advertising claims regarding “superfast” speeds.

A5.110 The Consumer Forum for Communications did not consider that CAP and BCAP guidance on the advertising of broadband speeds requires operators to provide the information on broadband speeds that consumers expect and require.

A5.111 *We will continue our work to improve the transparency of broadband performance and experience, including speeds. This work includes our research and publication of data on speeds performance, and work to establish other quality of experience metrics. Ofcom works with the Advertising Committees and the ASA on issues of common interest, and we would note that advertising claims are a matter for them.*

A5.112 The Communications Consumer Panel, CWU and Which? expressed concern about levels of consumer protection from high bills run up on lost or stolen mobile phones.

A5.113 *We note the Government’s recent announcement that mobile network operators are to offer a £100 liability cap for consumers for bills run-up on lost and stolen mobiles, where the loss or theft is reported within 24 hours. This agreement is a positive step to help address a lack of protection for consumers whose mobile phone is used fraudulently by someone else.*

A5.114 The Communications Consumer Panel welcomed work that has taken place to make 'plain English' information about contract length and early termination charges available to customers. The Panel stated that clear information about service level expectations, pricing and customer service standards should also be available to customers.

A5.115 *Clear information for consumers, particularly on those aspects of service that really affect their experience, is very important. We will continue to work with stakeholders, including the Panel, towards improvement in this area.*

A5.116 The Consumer Forum for Communications stated that Ofcom should engage with consumer and citizens' groups on a more proactive basis. It also suggested that Ofcom should review the models of consumer engagement that other sectors have adopted: for example where service providers engage internal consumer representatives.

A5.117 *Engagement with consumer organisations and advocates is very important to Ofcom. We value input from a range of stakeholders which represent consumers, including the Communications Consumer Panel, the Advisory Committee for Older and Disabled Consumers, the Ofcom Nations and Regions Advisory Committees and a range of organisations with cross-cutting or specialist interest.*

A5.118 *We also continue to facilitate the work of the Consumer Forum for Communications, which enables broad engagement with consumer stakeholders. We will be happy to consider and discuss with stakeholders how to improve or enhance this model of engagement, including the effectiveness of engagement with industry if appropriate.*

A5.119 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.

A5.120 *Ofcom engages regularly and routinely with other regulators (including the ASA, Ofgem, FCA and the CMA) to discuss common consumer protection issues and to ensure consistent approaches where appropriate, for example regarding unfair contract terms and pricing issues. We also engage closely with Government consultations and guidance on new legislation as necessary to ensure that issues concerning the telecoms sector are adequately addressed.*

A5.121 The Ofcom Advisory Committee for Northern Ireland proposed that Ofcom analyse the consumer complaints it has received from consumers in Northern Ireland to determine whether "greater dependence" on BT's copper network affects consumers in Northern Ireland adversely.

A5.122 *We will analyse complaints from Northern Ireland as requested, and will report to the Ofcom Advisory Committee for Northern Ireland on this question.*

A5.123 The British Heart Foundation argued that the CAP Code should be revised to protect children from high fat salt and sugar (HFSS) advertising online, for example in the form of promotional content.

A5.124 *Advertising material, including promotional content, which is neither subject to the UK Code of Broadcast Advertising (known as the BCAP Code) nor the specific rules which apply to regulated on-demand services, falls outside the scope of Ofcom's specific statutory remit.*

A5.125 Mr Peter Young stated that Royal Mail appears to alter postal address records without adequate verification.

A5.126 *Royal Mail's management of the postal address files is an operational matter for Royal Mail.*

Promote opportunities to participate

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

A5.127 The CWU expressed concern that Ofcom has not responded, it stated, to the impact of end-to-end competition on the sustainability of the universal postal service. It stated that Ofcom should undertake an immediate review of the threat that end-to-end competition poses to the universal service. It proposed that Ofcom should consider setting a limit for end-to-end competition consistent with the need to ensure that the universal service is financially sustainable.

A5.128 Citizens Advice and Citizens Advice Scotland encouraged Ofcom to consider alternative mechanisms for maintaining a sustainable USO if a market review identifies a material threat, such as tendering out loss-making elements, state aid or compensation fund arrangements.

A5.129 The Communications Consumer Panel stated that Ofcom should proactively review the factors that potentially affect the sustainability of the universal postal service, as well as quality of service targets. Citizens Advice, Citizens Advice Scotland and the Consumer Council for Northern Ireland stated that Ofcom needed to monitor postal market issues closely, including the development of choice and competition for both residential and SME consumers in different geographic areas.

A5.130 Mr J. P. Gilliver stated that Ofcom should not deregulate postal services so as to undermine the provision of the universal postal service.

A5.131 Royal Mail urged Ofcom to undertake a review of competition in the letters market in 2015.

A5.132 *Ofcom's duty to carry out our functions in a way we consider will secure the provision of a universal service is at the heart of the work that we have undertaken and are proposing to undertake in the postal sector. We monitor sectoral developments closely and, in particular, the finances of the universal service.*

A5.133 *In December 2014, Ofcom published the results of its review of end-to-end competition in the postal sector. In the light of the evidence collected in this review, our assessment was that Royal Mail's ability to provide the universal service in a financially sustainable way was not under threat.*

A5.134 *As we set out in our March 2013 guidance on end-to-end competition in the postal sector[10], we consider that we could implement general universal service conditions within six to nine months if this was necessary to secure the provision of a universal service. To this end, we will continue to monitor the situation closely.*

[10] End-to-end competition in the postal sector – Final guidance on Ofcom's approach to assessing the impact on the universal postal service, 27 March 2013, http://stakeholders.ofcom.org.uk/binaries/consultations/e2e-guidance/statement/E2E_Guidance.pdf

A5.135 The Mail Competition Forum (MCF) 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 to encourage improvements in Royal Mail's efficiency as necessary.

A5.136 Royal Mail urged Ofcom to develop its understanding of the real-world factors that affect its progress in seeking improvements to efficiency.

A5.137 The CWU stated that Ofcom should consider how measures of efficiency take into account labour factors, so as not to encourage a "race to the bottom on pay and terms and conditions in the postal sector". It stated that it was important that the CWU and other stakeholders are given an opportunity to comment on Ofcom's measures of efficiency.

A5.138 *As part of our statement on end-to-end competition in December 2014, we announced our intention to broaden our review of factors that could affect the future financial sustainability of the universal service materially. Among other things, this wider review is looking at what rate of efficiency improvement Royal Mail should reasonably be able to achieve consistent with its obligations as the designated universal service provider. As set out above, we expect to conclude this wider review towards the end of the 2015/16 financial year.*

A5.139 Citizens Advice and Citizens Advice Scotland expected Ofcom to continue to monitor the progress of changes to Royal Mail's network and to investigate where Royal Mail does not adhere to density criteria. They also emphasised the importance of monitoring adherence to access criteria and expected Ofcom to put in place safeguards so that the majority of mail is collected as late in the day as possible.

A5.140 Citizens Advice and Citizens Advice Scotland also stated the importance of understanding why Royal Mail regularly fails to meet First Class delivery targets in some postcode areas. It stated that Ofcom should continue to investigate Royal Mail's failure to meet the relevant target for Special Delivery Next Day service.

A5.141 The Consumer Council of Northern Ireland suggested that Ofcom should consider other solutions to ensuring the integrity of mail in addition to regulation, such as robust complaints handling and redress services.

A5.142 *Ofcom will continue to monitor Royal Mail's compliance with its universal service obligations including: the transparency obligations for collection times and deliveries; the density requirements for access points (i.e. post boxes); and quality of service obligations at national and postcode area level.*

A5.143 The Advisory Committee for Northern Ireland called on Ofcom to address the issue of the differential in the cost of cross-border post. It has asked Ofcom to provide further information on any action it might be able to take to help facilitate a remedy.

A5.144 *Ofcom carries out tracker research each year to understand and illustrate the scale of this issue for consumers. We are mindful that the Consumer Council of Northern Ireland is also planning to carry out research in this area and will work with the Council to inform future discussion on the issue.*

A5.145 *At present, the universal service is not defined as requiring a tariff for cross-border post between Northern Ireland and the Republic of Ireland that is the same as the tariff for the UK. It would not be possible to change this without a full assessment of*

user needs. Ofcom has no jurisdiction over overseas operators, and could not in any event require An Post to provide services within the Republic of Ireland to Royal Mail at prices which would make a uniform cross-border tariff possible.

A5.146 The Advisory Committee for Northern Ireland was also concerned by the costs charged by certain parcel courier companies when delivering to Northern Ireland and the refusal of some providers to deliver to Northern Ireland. It asked whether it would be possible to require online retailers to offer a Royal Mail service in these instances.

A5.147 *Retailers are free to make a commercial decision as to which postal operator they choose to deliver parcels on their behalf and are not required to use Royal Mail's services.*

A5.148 *The issue of extra charges has been highlighted by the Department for Business Industry and Skills, Citizens Advice, Citizens Advice Scotland and the Consumer Council Northern Ireland because of its impact on customers in parts of Scotland and Northern Ireland. As a result these bodies have worked with the courier industry to develop a statement of principles for parcel deliveries on behalf of businesses such as online retailers. This should make additional delivery charges more transparent to customers when they place orders. The statement of principles was published in July 2014 and is intended to promote best practice and give consumers the power to make better purchasing decisions online.*

A5.149 Royal Mail argued that the current margin squeeze control does not allow it sufficient pricing flexibility. The CWU stated that Ofcom should ensure that the regulatory framework for margin squeeze testing guarantees that the costs of delivering the universal postal service and quality of service targets can be reflected in prices.

A5.150 *As mentioned above in paragraph A2.66, Ofcom is undertaking a project to review Royal Mail's LRIC model and, amongst other things, assess whether it would be sufficiently robust and reliable to be used in the margin squeeze control. The current margin squeeze test applies to the relationship between prices for Royal Mail's retail bulk mail services and access mail. Neither of these are part of the universal postal service, nor do they have regulated quality of service targets.*

A5.151 Royal Mail argued that Ofcom's Competition Act investigation into access pricing proposals restricts its ability to use commercial tools to respond to the challenge from 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.

A5.152 *Ofcom's Competition Act investigation relates to prices notified by Royal Mail in January 2014. The suspension of the notified changes and their subsequent withdrawal were decisions taken by Royal Mail after we commenced our investigation. Neither decision was a requirement imposed by Ofcom.*

A5.153 Royal Mail argued that Ofcom should consult on the mail integrity code of practice and postal common operational procedure. It stated that all operators should comply with the same mail integrity standards. The CWU stated that Ofcom should introduce a requirement for all direct delivery providers to record and report on performance targets.

A5.154 Citizens Advice and Citizens Advice Scotland stated said they would be concerned that any attempt to set identified standards for common operational procedures and mail integrity codes could result in an unfavourable 'industry average' standard.

A5.155 *The Annual Plan includes plans for reviews of the mail integrity code of practice and complaint handling and redress services in the postal sector. While we had initially intended to review the postal common operational procedures (PCOP) at the same time, we have decided to close our work on the PCOP due to resource constraints.*

A5.156 The Communications Consumer Panel said it would be interested to know whether increased competition in the parcels market has led to detriment for customers.

A5.157 *We are carrying out a review of developments in the parcel sector, which will include considering the consumer experience. The mail integrity project is also reviewing performance in the parcels sector.*

A5.158 The 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.

A5.159 *Ofcom is an active member of the ERGP and has representatives on all of the sub-groups charged with implementing the ERGP work programme (including the workstream looking at the implementation and evolution of the USO).*

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

A5.160 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.

A5.161 *The availability of broadband and Ethernet products appropriate for the needs of SMEs is within the scope of Ofcom's current project on assessing outcomes from communications market for SMEs. An initial report is scheduled for Q1 2015/16, which will also outline proposed future work to address any issues identified. The provision of leased lines (as used by larger businesses as well as by many SMEs) is the subject of Ofcom's current BCMR.*

A5.162 The FSB 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 fibre rollout to business parks and enterprise zones.

A5.163 The Communications Consumer Panel stated that all consumers and micro businesses should have access to a basic service of 2Mbit/s, but strongly believed that 10Mbit/s would be a more appropriate basic speed to make available to all.

A5.164 The CWU stated that Ofcom should seek the introduction of a statutory broadband universal service obligation and argued for public intervention to address fixed and mobile voice and broadband not-spots.

A5.165 Mr J. P. Gilliver 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.

A5.166 *Although fixed broadband is now available to almost all UK premises, the technology and speeds available vary considerably. Ninety-seven per cent of premises are able to access a basic broadband service with download speeds of 2Mbit/s or more; 85% can access a standard service with speeds of 10Mbit/s or more. Evidence set out in Ofcom's* Infrastructure Report 2014 *suggests that 10Mbit/s may now be the minimum broadband speed that a typical household expects to be able to receive. We suggested that the Government considers revising the current 2Mbit/s Universal Service Commitment to set it at this level. The Government has indicated its intention to raise the USO to require a minimum broadband speed of 5Mbit/s. We will continue to engage with and support Government in this area as it develops its policy proposals for a broadband USO.*

A5.167 *Our* Infrastructure Report 2014 *also highlighted the problems of fixed and mobile not-spots as an area to be tackled jointly with Government and industry. The data we collect for this report show where the not-spots are, which is vital in order to tackle them.*

A5.168 The Ofcom Advisory Committee for Northern Ireland questioned whether Ofcom is doing enough to ensure that fixed broadband not-spots are filled.

A5.169 *In the* Infrastructure Report 2014 *we discussed the particular acuity of the problem of not-spots in Northern Ireland, where many households are connected via very long copper lines. The data we collect for this report show where the not-spots are, which is vital in order to tackle them and in providing consumer information. Our online maps show consumer postcode level data about superfast broadband availability. We also note the work of the Northern Ireland Broadband Improvement Project (NIBIP), a scheme to provide for the first time, or to increase or improve broadband services in certain areas. Work began in February 2014 and should finish by December 2015.*

A5.170 The FSB stated that Ofcom should repeat the research it conducted for the *Infrastructure Report 2014* on the availability of communications services for SMEs.

A5.171 *The availability of a range of communications services to SMEs is an important topic. We are currently scoping this year's update to the* Infrastructure Report 2014 *and we expect to repeat the analysis of services available to SMEs.*

A5.172 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.

A5.173 *The* Infrastructure Report 2014 *addressed the varying availability of superfast broadband services to SME businesses across the UK. It highlighted that, in some localities, this may be worse than for consumers. We will be taking this work*

forward, with a report analysing the market for provision of services to SMEs to be published in Q1 2015/16. We will also report further in our Infrastructure Report Update*, due to be published in autumn 2015.*

A5.174 Mr Ewan Sutherland stated that the Draft Annual Plan included little work directed at increasing the availability of fixed broadband in rural areas.

A5.175 The Scottish Government noted the lower availability of superfast broadband in Scotland compared to the UK as a whole. It emphasised the importance of making progress here, making reference to developments in the broadcasting market such as the proposed reinvention of BBC Three as a purely online service.

A5.176 *We agree that it is important to address the lower availability of superfast broadband in Scotland (as well as other under-served areas), especially as more services move online. We note that the BDUK programme aims to achieve 95% coverage of superfast in each local authority area, and that roll-out will run until 2017. Addressing the final 5% remains a challenge. The Government is exploring technical options with industry, with a £100m testing project.*

A5.177 *The Scottish Government has invested £7.5 to help establish superfast broadband in areas of Scotland not covered by existing roll-out plans, and to provide a Start Up Fund to help communities with the costs involved in establishing local community-led projects to widen access to superfast broadband services.*

A5.178 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.

A5.179 *Work on SMEs is a priority area for Ofcom in 2015. We are currently undertaking an in depth project that will consider whether the communications market is delivering good outcomes for SMEs in the availability, choice and price of communications services, including fixed and mobile voice, and data services. This will complement the BCMR. In 2014, we published an extensive report into the experiences of SME consumers; launched a new web portal with advice for all businesses; reported the development of services in the* 2014 Infrastructure Report*; and published a call for inputs to gather stakeholder views for our SME review.*

A5.180 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.

A5.181 *Ofcom's General Conditions are intended to ensure that residential and business consumers are afforded necessary protections from potential harm. In some cases the protective measures differ between smaller and larger business consumers. We appreciate that this requires providers to understand the size of their SME customers and that, at times, this can be difficult to achieve. Ofcom has indicated that it will take a pragmatic and flexible approach to compliance monitoring and enforcement in relation to these requirements and we welcome feedback this issue.*

A5.182 *We have previously published guidance on our approach to compliance in our statement on the prohibition of automatically renewable contracts for residential customers and small businesses.*

A5.183 The Ofcom Advisory Committee for Northern Ireland asked what role Ofcom plays when, it stated, competition is not enabling a significant number of citizens to get online (e-inclusion) and to access Government services online.

A5.184 *Sometimes broadband availability may be a barrier to take-up of the internet and therefore access to Government services online. Broadband is nearly universally available in the UK, but speeds vary significantly. We estimate that around 7% of households in Northern Ireland could not access fixed broadband with speeds of 2Mbit/s or more in June 2014. Across the UK, around 15% of households cannot receive speeds of 10Mbit/s or more. Evidence in our* Infrastructure Report 2014 *showed that, below this speed level, demand for broadband can be constrained.*

A5.185 *Where the economics of networks mean that parts of the UK are not fully served by the market, Ofcom or the Government may intervene to further consumer and citizen interests. Who takes action, and how, depends on the levers available. For example, Ofcom has moved to improve mobile coverage by attaching coverage obligations to mobile licences. The Government has intervened to improve the coverage of mobile networks and superfast broadband through public funding to subsidise wider roll-out. Northern Ireland is benefiting from continued broadband roll-out initiatives led by the Department of Enterprise, Trade and Investment. We have a specific objective in our Annual Plan to support these initiatives.*

A5.186 The City of London Corporation and South West Internet CiC argued that BT's non-disclosure of plans for future roll-out hindered investment in superfast broadband by other operators. It argued that Ofcom should require BT to disclose where it will not deploy fibre or sufficiently high speeds.

A5.187 *As there is no obligation for BT to provide a given level of broadband service in any location, currently Ofcom cannot require BT to set out where it will not be providing superfast services. The scope and extent of BT's deployment of BDUK-funded projects is a matter for Government, although Ofcom will continue to publish information on the availability of superfast broadband.*

A5.188 The City of London Corporation and South West Internet CiC stated that Ofcom should consider the introduction of obligations for Openreach in relation to the rollout of superfast fixed broadband.

A5.189 *As there is currently no Universal Service Obligation for superfast broadband, and commercial and public intervention project rollouts are still underway, it is not currently possible to impose coverage or service obligations of this nature. However, as noted in the* Infrastructure Report 2014*, we believe that the Government should consider resetting the level of its Universal Service Commitment, which forms a key part of its policy to ensure effective broadband service coverage.*

A5.190 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 that Ofcom should require BT to disclose where it will not deploy fibre or sufficiently high speeds.

A5.191 *Since there is no obligation on BT to provide a given level of broadband service in any location, Ofcom cannot require BT to define where it will not be providing superfast services at the moment. The scope and extent of BT's deployment of BDUK funded intervention projects is a matter for the Government, although Ofcom will continue to publish information on availability.*

A5.192 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.

A5.193 *We will continue to publish broadband availability and performance data, as in the* Infrastructure Report 2014. *The data highlights differences between geographies. We consider this to be an important tool for both policymakers and consumers. We will look to improve both the granularity of the data and its relevance to the perceived consumer experience, building on the work we undertook with Actual Experience that was published in the* 2014 Infrastructure Report*.*

A5.194 *The award of contracts under the BDUK scheme is a matter for Government.*

A5.195 EE and Vodafone stated that Ofcom should work with the Government to reform the Electronic Communications Code. Vodafone stated that the Government should grant mobile network operators clearer rights to immediately access sites to conduct repairs and maintenance, as well as to upgrade infrastructure, without incurring additional costs.

A5.196 Vodafone stated that that mobile network operators (MNOs) pay higher rents for sites than other providers of key infrastructure. It proposed that Ofcom work with the Government to introduce rights for MNOs to access network infrastructure immediately to in order carry our repairs and maintenance.

A5.197 *Proposals to reform the Electronic Communications Code have now been published by the Government, with an opportunity for further input from stakeholders through a consultation that will close at the end of April.*[11]

A5.198 The Communications Consumer Panel recommended close monitoring of mobile operators' progress against 4G coverage requirements and to encourage them to develop contingency plans where there is a risk of poor coverage. It emphasised the importance of monitoring market developments that might affect coverage, such as mast rationalisation programmes. Which? stated that Ofcom should issue financial penalties if mobile operators fail to meet their coverage commitments agreed with Government by 2017.

A5.199 *We have an active programme of work in place to monitor mobile coverage and are looking at ways to improve the information we provide to consumers. On the specific question of the 4G coverage obligation, we will assess O2's compliance with its obligation at the end of 2017 as specified in O2's licence. We will then assess the right measures to take in the event of non-compliance at that time.*

A5.200 The Welsh Government stated that, in regard to the reallocation of spectrum (i.e. 700MHz), it would welcome a reference in the Annual Plan to the imposition of targets for geographic mobile coverage including specific targets for the nations.

A5.201 *We are at an early stage in the 700MHz clearance process. We will consider the appropriateness of national and regional coverage obligations in due course.*

[11] Department for Culture, Media & Sport, *Reforming the Electronic Communications Code*, February 2015, https://www.gov.uk/government/consultations/consultation-on-reforming-the-electronic-communications-code.

Other responses on participation matters

A5.202 BT and KCOM stated that Ofcom should review universal service obligations in the light of developments in the market. In particular, they stated that commitments to provide payphones should be reviewed given the high levels of mobile penetration.

A5.203 EE and BT stated that Ofcom should engage with the European Commission as it 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.

A5.204 *The Commission began its most recent periodic review of the USO in Q1 2014 with a questionnaire to national regulatory authorities covering a range of issues, including:*

- *cost calculation;*
- *requests received for USO to cover different services;*
- *measuring affordability criteria; and*
- *requirements for disabled users.*

A5.205 *That exercise is now concluded and we are awaiting a Commission report looking at the scope of the USO and whether services under the USO respond to the current market needs. The Commission will run a 12-week public consultation on that report in early 2015, and has indicated that it will publish its conclusions by the end of 2015.*

A5.206 *Ofcom will be involved in the production of any BEREC opinion on any Commission report / proposals, and might also submit its own views. We expect that any amendments to the Universal Services Directive that might be proposed by the Commission would be pursued in the context of the broader Framework Review, which we expect the Commission to launch with a green / white paper in late 2015 / early 2016.*

A5.207 *At the national level, Ofcom will continue to monitor the provision of the USO through the specific conditions on BT and Kingston Communications. As part of this, we will consider the case for reviewing the operation and effectiveness of the Condition and detailed related provisions concerning public call boxes.*

A5.208 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, retires TDM-based voice services.

A5.209 *We are already engaged with a number of communications providers with regard to their plans to retire legacy systems delivering PSTN voice and replace them with more current technologies. We intend to publish a call for inputs in Q1 2015/16 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.*

A5.210 An individual expressed concern about the quality of live, catch-up and VOD subtitling, as well as customer services concerning subtitling.

A5.211 *Ofcom recognises the importance of good quality subtitling for those viewers who rely on it to access television programmes. Ofcom considers that the quality of subtitling for pre-recorded programmes shown on TV is generally good, and that this applies to subtitling pre-recorded programmes made available in catch-up and on-demand services. However, Ofcom considers that there is scope for improving the quality of live subtitling, and has embarked on a two-year project to encourage broadcasters to make improvements. It will continue work on this during 2015.*

A5.212 The Communications Consumer Panel welcomed the provision of next generation text relay. It stressed the importance of monitoring the implementation and user experience of the new service to ensure that it brings about the desired improvements.

A5.213 *Ofcom agrees that the monitoring of the performance of next generation text relay is an important element of its implementation. We intend to conduct consumer research (both quantitative and qualitative in nature) with the specific intention of achieving this, which is anticipated to begin early in the new financial year.*

A5.214 The Communications Consumer Panel encouraged Ofcom to do more to encourage digital participation, arguing that Ofcom has focused too much on the availability of communications services. The CWU proposed that Ofcom do more to encourage e-literacy, directed particularly at older and vulnerable people. The Communications Consumer Panel asked why Ofcom's work to promote digital inclusion did not appear to have a UK-wide focus.

A5.215 *Ofcom has a duty to promote media literacy, which we fulfil through the production of in-depth research and the dissemination of that research to a wide range of stakeholders. Our research covers a range of issues including people's activities and attitudes online, as well as asking about the reasons why people are not going online. Our quantitative media literacy surveys report on people aged 75+, and we can also provide statistics on other demographics. Our work covers the nations of the UK, as well as providing a UK-wide picture.*

A5.216 The Welsh Government proposed that Ofcom should monitor levels of media literacy by language spoken, ensuring the application of robust data-gathering among Welsh speakers. It stated that Ofcom could promote inclusion and engagement by working with local Welsh-language community magazines and by providing broadcast radio licences to communities of Twitter users.

A5.217 *The sample size for Ofcom's research into levels of media literacy in Wales is too small to provide reliable data on levels on media literacy among Welsh speakers. Increasing the sample size to a level that would provide such information is not possible due to resource constraints.*

A5.218 *It is not within Ofcom's remit to provide training or resources to community magazines. Broadcast radio licences are awarded as part of statutory licensing processes, e.g. when applications are invited for community radio licences or when commercial licences are advertised.*

A5.219 The Welsh Government commented that Ofcom's work to encourage media literacy appeared to be focused on children's safety and could be extended to teaching children skills such as coding.

A5.220 *While our Annual Plan covers our work on the issue of child safety, our media literacy research programme is wider than this. It monitors the extent to which children are learning code in school, and how they use and think about a range of other content and services.*

A5.221 Vodafone urged Ofcom to support the work of the Tinder Foundation to promote digital inclusion and engagement.

A5.222 UKCTA urged Ofcom not to introduce additional regulation of Internet services in order to improve levels of consumer trust.

A5.223 *Ofcom is committed to working with stakeholders to raise awareness of issues around digital inclusion, in particular through our range of research publications on media literacy. We sit on the Government Digital Service's digital inclusion working group, which is intended to determine how best to measure inclusion. We regularly speak at conferences and seminars to provide an evidence base for discussion. We also hold regular research events that bring together public agencies, Government, industry and academics to share their research in this field. We publish a quarterly media literacy bulletin, which collates information about media literacy projects and initiatives.*

Secure optimal use of spectrum

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

A5.224 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, when DTT broadcasting is migrated, Ofcom should support the standards and specifications for receivers that the CAI would implement.

A5.225 *We have recently decided to change the use of UHF spectrum between 694MHz and 790MHz (the '700MHz band') from DTT and PMSE to mobile data. We took this decision after having undertaken a detailed cost benefit analysis, which indicated that the change would result in significant net benefits for citizens and consumers. We intend to ensure that this change does not materially affect DTT coverage or channel line-up and that we avoid any significant disruption to viewers. Our analysis indicates that we will be able to accomplish this.*

A5.226 *Ofcom does not have any regulatory powers over domestic equipment or aerials but we continue to support the initiatives that the CAI and other industry bodies have taken to put in place appropriate standards for aerials.*

A5.227 The British Entertainment Industry Radio Group (BEIRG) proposed that Ofcom should 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.

A5.228 BEIRG also stated that Ofcom should commit to the re-allocation of dedicated spectrum to PMSE users before proceeding any further with the re-allocation of the 700MHz band. It proposed that Ofcom undertake an independent analysis of projected mobile data demand to 2020. It questioned the robustness of projections for mobile data use that Ofcom has used. It also proposed that Ofcom should seek to ensure that fixed services and Wi-Fi are applied to meet mobile data demand.

A5.229 *We are considering all options for alternative spectrum that could be used by PMSE applications. We are currently conducting a strategic review of the PMSE sector's future spectrum requirements (the PMSE review) and we are looking to identify new spectrum sharing opportunities for audio PMSE users. We do not believe it would be in the best interests of citizens and consumers for us to delay our decision to make the 700MHz band available for mobile broadband. This is because we believe the cost of delaying change of use of the band would be high.*

A5.230 *We also anticipate that we will conclude the PMSE review in 2015, which should allow sufficient time for manufacturers to develop and bring to market new PMSE equipment. We do not propose to commission further analysis of projected mobile data demand. We are monitoring trends in demand for mobile data and we continue to develop and refine our view of future growth on an ongoing basis.*

A5.231 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 planned. 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 those which Ofcom applied in the 4G auction in 2013.

A5.232 BT urged Ofcom to ensure that the auctions of 2.3GHz and 3.4GHz spectrum do not cause wider technical problems for spectrum users.

A5.233 *We will consider these responses further. We expect to issue a statement on the 2.3GHz and 3.4GHz award in due course.*

A5.234 The Communications Consumer Panel argued that consumers' needs should be given priority in developing policy in this area and raised concerns that it may be people on low incomes and vulnerable people, will be most affected by changes in the 700MHz band. The Panel encouraged Ofcom to develop contingency plans to mitigate this risk.

A5.235 *Our analysis suggests that we will be able to clear the 700MHz band without materially reducing DTT coverage or the channel line-up and without causing significant disruption to viewers. Over the next year we will work with Government, industry and consumer groups to develop a plan to ensure that viewers receive appropriate information and support during the transition. A key focus of our work in this area will be addressing the needs of vulnerable viewers.*

A5.236 Mr J P Gilliver argued that Ofcom should take into account the additional cost to consumers of accessing free-to-air television services over broadband when considering the reallocation of 700MHz band spectrum to mobile operators. He considered that DTT users may have been under-represented during Ofcom's consultation on this subject.

A5.237 *We recently decided to change the use of UHF spectrum between 694MHz and 790MHz (the '700MHz band') from DTT and PMSE to mobile data. We took this decision after having undertaken a detailed cost / benefit analysis which indicated that the change would result in significant net benefits for citizens and consumers. We intend to ensure that this change does not materially affect DTT coverage or channel line-up and that we avoid any significant disruption to viewers. Our analysis indicates that we will be able to accomplish this.*

A5.238 *We expect the remainder of the UHF spectrum that DTT uses (470-694MHz) to remain important for that purpose for many years. We do not anticipate a DTT switch-off until at least 2030.*

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

A5.239 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. It urged Ofcom to work to ensure that differences between national regulatory regimes do not harm the competitiveness of UK communications operators abroad.

A5.240 *Ofcom will continue to play an active role in relevant European and international fora in order to promote UK interests and influence outcomes in line with the needs of UK citizens and consumers. Over the next year in particular we will seek to secure UK objectives at the ITU World Radio Conference taking place in November 2015. We will engage closely with relevant European institutions on a range of issues, including the anticipated review of the electronic communications framework. Ofcom will continue to work closely with stakeholders in taking forward these activities.*

A5.241 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.

A5.242 *Ofcom is actively engaged with the UK Government, our regulatory counterparts in Europe and other stakeholders to provide input on the Connected Continent package with regard to net neutrality. We are working to ensure that any new rules are workable and in line with good networking practices, that they do not undermine the innovation that has created the enormous value of today's internet and that they provide appropriate protections for consumers.*

A5.243 BT also proposed that Ofcom work with European institutions to promote effective competition with regard to OTT service providers.

A5.244 *Ofcom intends to be actively involved in the work of BEREC on OTT service providers planned for 2015, as described in BEREC's 2015 work programme and in BEREC's recently-adopted medium-term strategy for 2015-2017. Ofcom will also follow the work commissioned by the European Commission intended to improve understanding of the OTT ecosystem ahead of any proposals for a revision of the EU Framework.*

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

A5.245 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 as soon as possible, in advance of WRC-15 and the opening of the 700MHz band to mobile data use.

A5.246 *Ofcom recognises the important benefits that users of radio microphones in the PMSE sector, such as theatres, sports venues and music events, deliver to the UK.*

A5.247 *We are currently conducting a strategic review of the PMSE sector's future spectrum requirements. One of the objectives of this review is to ensure that audio PMSE devices have access to sufficient spectrum to continue to deliver the benefits they provide currently, following Ofcom's decision to make the 700MHz band available for mobile data.*

A5.248 *Ofcom continues to work closely with stakeholders through its regular engagement with BEIRG and others to ensure that PMSE users retain access to sufficient spectrum following change of use of the 700MHz band. We aim to conclude the PMSE review in 2015.*

Explore and implement opportunities for spectrum sharing

A5.249 BEIRG stated that Ofcom is permitting the introduction of white space devices (WSDs) at too fast a rate and that these 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.

A5.250 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.

A5.251 *We have identified spectrum sharing as a significant work area in the Annual Plan. We are exploring how we may promote increased or improved spectrum sharing between different categories of uses where it already takes place and consider new opportunities to extend sharing across more spectrum bands. Market mechanisms may be relevant to this work, to the extent that they could support more efficient sharing and we will consider this in our work.*

A5.252 *As set out in our Spectrum Management Strategy, we continue to focus on coexistence challenges across the range of our spectrum policy projects. This is relevant to how spectrum sharers can operate successfully alongside each other.*

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

A5.253 UKCTA and Vodafone supported Ofcom's work to consider the mobile data spectrum requirements of the IoT. They urged Ofcom to investigate ways to make additional spectrum available to IoT applications, including via spectrum sharing. UKCTA stated that Ofcom should remove regulation that could diminish innovation in M2M and work to harmonise relevant regulation and spectrum use between EU Member States and around the world.

A5.254 *Ofcom is aware that mobile networks, based on existing or future technologies, could play an important role in delivering IoT services, alongside other technologies. We recently published a statement that explored ways in which Ofcom could prompt investment and innovation in the IoT. In it we set out our view that there is likely to be sufficient spectrum available to meet demand from IoT services in the short to medium term.*

A5.255 *However, we recognise that there may be a need for additional spectrum in the longer term. We will continue to monitor demand for spectrum by IoT services to*

help identify whether additional spectrum will be needed. This could take the form of new spectrum bands or through access to bands on a shared basis.

A5.256 BEIRG stated that spectrum should not be allocated to IoT applications in a way that would disrupt incumbent users. It stated that existing Wi-Fi and M2M spectrum allocations should play an important role in supporting IoT applications.

A5.257 *IoT services can be delivered using a number of technologies and spectrum bands. Some services may be delivered using mobile network technologies within licensed spectrum; other applications might be better delivered using shared spectrum on a licence exempt basis. In considering which spectrum bands to make available for wireless and mobile services, including the IoT, Ofcom takes into account a range of factors, including the potential to cause interference to other spectrum users.*

Other responses on spectrum matters

A5.258 EE argued that Ofcom should ensure that its approach to setting annual licence fees is consistent with Government direction and takes account of the asymmetry of risks associated with setting them too high.

A5.259 *In December 2014 the Government and MNOs agreed that the operators would implement 90% geographic voice coverage throughout the UK by no later than 31 December 2017. In December 2014 we agreed that we would provide all interested parties with the opportunity to comment on whether the new geographic voice coverage obligation should affect future licence fees, taking account of the associated incremental costs incurred by the operators. We issued a consultation on this subject in February 2015.*

A5.260 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).

A5.261 *Matters of town and country planning are not a matter for Ofcom. The Department for Communities and Local Government in England, the Communities Directorate in Scotland, the Department of Environment and Sustainable Development in Wales and the Department of the Environment in Northern Ireland are the bodies responsible for planning in their respective nations. However, we are aware of moves made to simplify legislation and to harmonise the approach relating to traditional terrestrial TV aerials and satellite TV aerials.*

A5.262 O3b stated that the international regulatory regime governing non-geostationary satellite systems' use of the fixed satellite services' allocations in the 37.5-51.4 GHz band is vague and discourages development in the band. It stated that it hoped to receive Ofcom's support to address this at WRC-19.

A5.263 *Ofcom acknowledges the issue raised by O3b and is assessing whether regulatory action in international fora would be needed to address this concern.*

A5.264 O3b also wished for Ofcom to prioritise support for the CEPT's recommendation on the use of NGSO networks by Earth Stations on Mobile Platforms (ESOMPs).

A5.265 *Ofcom continues to support the work currently ongoing in the CEPT on the use of NGSO networks by ESOMPs in some portions of the Ka-band.*

A5.266 Mr J. P. Gilliver commented that Ofcom's approach to spectrum management has not reflected the interests of some spectrum users adequately, requiring them to replace equipment.

Maintain audience confidence in broadcast content

Promote audience safety and assurance in traditional and online environments

A5.267 An individual argued that Ofcom should reduce or eliminate sexual imagery, bad language and violence on-screen to prevent harm both to children and adults.

A5.268 *Ofcom's Broadcasting Code includes clear rules which help ensure the protection of minors and adults from harmful or unsuitable content. The Code rules cover content such as violence and dangerous behaviour, offensive language and sexual material. Ofcom also conducts regular research on audience attitudes towards offensive content of this nature, which helps inform our decision-making when considering these types of issues. For example, last year we published research on consumer attitudes and trends regarding violence shown on UK TV programmes.*

A5.269 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.

A5.270 The CWU stated that Ofcom should ensure that broadcasters do not air content that denigrates vulnerable groups. It also proposed that Ofcom should do more to ensure that diverse views and opinions are represented on-screen.

A5.271 *Ofcom's Broadcasting Code includes clear rules which help provide adequate protection for audiences from offensive and harmful material. The Code requires broadcasters to ensure that the broadcasting of material which may cause offence - including discriminatory treatment or language on the grounds of age, disability, gender, race, religion, beliefs and sexual orientation - is justified by the context.*

A5.272 *Where we find broadcasters in breach of the Code, we take enforcement action. In the last year we found three broadcasters in breach of the Code for the broadcast of offensive, pejorative or derogatory language, including the terms "spaz", "poof" and "slope". In all three cases, we considered that the potential for offence was not justified by the context.*

A5.273 *We strongly support the need to improve diversity and equality of opportunity in broadcasting. We are working with and fully supporting the implementation of the Creative Diversity Network's (CDN) diversity monitoring system, Diamond. This system will capture diversity data and provide standardised and comparable data on both on-screen and off-screen diversity.*

A5.274 *Further, we think that it is important to ensure that there is useful, practical and independent guidance available to broadcasters. We are currently developing a toolkit for the sector to ensure that 'best practice' on how to ensure a diverse and inclusive workforce is understood by all broadcasters (whether large or small). We are carrying out further analysis of how well the public service broadcasters are meeting the needs of audiences, as part of our review of public service broadcasting. This will look at audience perceptions of the representation and portrayal of the major diversity groups.*

A5.275 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.

A5.276 *We are happy to keep our approach to regulating broadcast content under review. The standards we set for the protection of children are among the most important elements of the standards framework, but we want to ensure that the way we regulate is fit for purpose and reflects changes in consumer behaviour, attitudes and expectations.*

A5.277 *Our research shows that the majority of children still watch television, that watching TV is the most common media consumption activity and that it is likely to remain so for some time. We also know from our ongoing research that the majority of parents value the 9pm watershed on television and still find it helpful in determining what is suitable for their children to watch. Our research also suggests that there is no clear appetite from wider consumers to change the current regulation of broadcast television.*

Other responses on broadcast content matters

A5.278 The Ofcom Advisory Committee for Northern Ireland expressed concerns about the potential impact on competition (particularly for UTV) of RTÉ's plans to offer Northern Ireland opt-outs for its advertising.

A5.279 *It is open to any EU-based broadcaster to provide greater choice to viewers in Northern Ireland and to seek funding for this by competing for local advertising.*

A5.280 The Ofcom Advisory Committee for Northern Ireland was also concerned about funding for indigenous language broadcasting after the end of the current funding arrangements in 2015.

A5.281 *Funding for indigenous language broadcasting is a matter for the Northern Ireland Executive.*

A5.282 The Comm*unity* TV Trust considered that local TV stations' engagement with their local communities is insufficient and that, outside news programming, they do not reflect community views and opinion sufficiently.

A5.283 *All local TV applications that Ofcom receives are checked against statutory criteria, and only those applications which fulfil those criteria are eligible to be considered for a licence award. There is no statutory criterion requiring a service to reflect community views and opinion, but there are other statutory requirements that make reference to, for example, "the lives and concerns of communities and cultural interests and traditions in that area or locality".*

A5.284 *Ofcom considers applications carefully against all of the statutory criteria as set out in s.244 of the Local Digital Television Programme Service Order 2012 before making any award decisions. Once an L-DTPS service has launched, it has to fulfil its programme commitments as set out in its licence and any other licence conditions.*

A5.285 *Complaints can be made to Ofcom by any person or body which considers that a broadcaster has failed to comply with a relevant requirement. Any complaints about an L-DTPS licensee that Ofcom receives are assessed in line with the General Procedures for investigating breaches of broadcast licences. This will include an*

initial assessment of the issue, followed by investigation in cases where it appears that there may have been a breach of the relevant requirements.

A5.286 The British Heart Foundation proposed that Ofcom should prevent broadcasters from airing advertisements for HFSS foods before the watershed. It argued that changes in children's viewing habits mean that the current rules, which restrict HFSS advertising based on the proportion of children likely to be watching a programme, no longer offer children adequate protection.

A5.287 *Ofcom introduced restrictions on the broadcast of HFSS advertising in 2007, which we examined comprehensively in 2010. We considered whether it would be appropriate to restrict HFSS advertising before 9pm, but concluded at that time that the evidence in terms of public health was too uncertain to justify such a measure. However, we remain mindful of concerns about the impact of food advertising on children and will continue, with our co-regulatory partners, BCAP and the ASA, to ensure that scheduling restrictions on television remain effective in limiting child exposure.*

A5.288 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.

A5.289 *With regard to the BFI's suggestion that Ofcom work with the BFI and commercial PSBs to examine their role in making legacy television available, we invite the BFI to raise any proposals concerning how it meets its policy objectives with us.*

A5.290 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.

A5.291 *While complaints form an important part of Ofcom's enforcement work, since the introduction of our current procedures in 2011, we have operated an issues-led rather than complaints-led process. We seek to ensure that we explain the focus of our assessments or investigations clearly at the outset of any correspondence, so that broadcasters understand the issue to which they are required to respond.*

A5.292 *At the end of the investigations process we take care to ensure that our decisions, as published in the Broadcast Bulletin, explain clearly what is, and what is not, a breach of the Broadcasting Code.*

A5.293 *We publish summary 'not in breach' findings at the back of the Broadcast Bulletin for cases that result in this outcome. We sometimes publish more detailed 'not in breach' findings in cases that are high profile, or of public interest, or where it would be useful to broadcasters to assist with compliance.*

A5.294 *In the light of COBA's and other stakeholders' comments in this area, we will consider publishing detailed 'not in breach' findings more often. We welcome feedback from broadcasters on compliance issues and are happy to consider different ways to engage with them.*

A5.295 Mr Wally Sawyer stated that competition for the Channel 3 licences for England and Wales (currently held by ITV plc) might improve the provision of local content, which was largely limited to regional news programmes at present.

A5.296 *Under legislation, Ofcom was obliged in 2013 to offer existing licensees the opportunity to renew their licences, provided that they could sustain the level of PSB obligations that Ofcom's analysis suggested was affordable. As a result, all Channel 3 licences, including those held by ITV, STV and UTV, have been renewed until the end of 2024.*

A5.297 Mr Wally Sawyer, an individual, criticised the number of +1 channels on Freeview, suggesting that this diminished choice. He also stated that subscription TV channels that carried advertising had an unfair advantage over free-to-air channels.

A5.298 *In the absence of legislation to the contrary, broadcasters are free to use the spectrum they have acquired as they see fit, and to carry advertising on pay TV channels as they wish.*

A5.299 The Scottish Government emphasised the importance of protecting appropriate PSB prominence, including for national and regional services. It also emphasised the need for EPGs to cater for the needs of the visually impaired.

A5.300 *Ofcom remains committed to securing appropriate prominence for all public service channels, as required by statute, including for national and regional services. It is also committed to working with EPG providers to secure improvements to the accessibility of EPGs for people with visual impairments.*

A5.301 An individual stated that they considered it fair that the Green Party and the Scottish Nationalist Party are included in any televised pre-General Election debate between party leaders, on the basis of their opinion poll ratings.

A5.302 *This point echoes the large number of responses that we received from individuals to our consultation reviewing the Ofcom list of major parties, for the elections taking place on 7 May 2015. In our statement on this matter, we noted that the list of major parties is important for Ofcom's regulation of election coverage because certain obligations[12] apply to the parties on that list. In summary, the list of major parties reflects the fact that some political parties have a significant level of electoral support, and number of elected representatives, across a range of elections within the UK or the devolved nations. However, in our statement, we also stressed that Ofcom has no role in, and has not been involved in, determining the parties invited, or the structure, format or style of any broadcast leaders' debates that might take place before the 2015 General Election.*

A5.303 Mr Wally Sawyer expressed concern about the broadcasting of network content by radio licensees with a wide geographic presence, such as Heart, Capital and Smooth. He proposed that FM frequencies be allocated to radio services licensed to broadcast 12 hours of local content each day. He stated that some local AM frequencies had also become available for use by licensees with such commitments.

[12] See Ofcom's Ofcom's Rules on party political and referendum broadcasts and Section 6 (elections and referendums) of the Broadcasting Code.

A5.304 *Ofcom's current approach to regulating for localness on analogue commercial radio is based on evidence from recent consumer research, which supports the current balance between local and networked output.*

Contribute to and implement public policy defined by Parliament, and where appropriate, by devolved administrations

Complete Ofcom's review of public service broadcasting

A5.305 The BFI stated that Ofcom should undertake further work to promote investment in first-run originations for children by commercial PSBs. It argued that Ofcom should examine the attractiveness of legislation and enforceable quotas.

A5.306 *As part of our on-going review of public service broadcasting we published detailed analysis on the provision of PSB programming for children. Our consultation identified the real-terms decline in spend on children's content as a potential concern and sought the views of citizens and consumers. We are considering the responses we received and will publish a final statement in the summer.*

A5.307 The Welsh Government provided additional detailed comments in response to the PSB Review. The Ofcom Advisory Committee for Northern Ireland stated its concern that Northern Ireland commissions are not adequately represented in the UK media markets.

A5.308 *We will consider all the responses to the PSB review as we develop our final statement, which we intend to publish later this year.*

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

A5.309 The Scottish Government stated that, following publication of the UK Government's paper *Scotland in the United Kingdom - An enduring settlement*, it should be possible for Ofcom to say more about plans for a formal consultative role for the Scottish Government and Scottish Parliament on Ofcom's strategic priorities in Scotland.

A5.310 The Ofcom Advisory Committee for Northern Ireland was concerned that Northern Ireland, as with other devolved nations, may not be fully represented in all aspects and at all levels of Ofcom's work, including its governance arrangements.

Develop a framework for measuring media plurality

A5.311 The CWU stated that Ofcom's framework to measure media plurality should measure the extent to which broadcast content reflects a diversity of views, including those of trade unions.

A5.312 *Ofcom has published a consultation on a measurement framework for media plurality. Our proposed framework looks at all relevant media used by consumers for the consumption of news and current affairs content, including television.*

Other responses on public policy matters

A5.313 COBA argued that Ofcom should prioritise work to understand the impact of the country of origin principle on the UK broadcasting sector, given its positive effects on investment in the UK broadcasting sector. It argued that Ofcom should represent

UK interests as it engages in any forthcoming debate on the country of origin clause within the context of a review of the AVMS Directive.

A5.314 *Ofcom will continue to engage with UK stakeholders to ensure that it has a full understanding of the benefits of the country of origin principle to the UK broadcasting sector. Ofcom will also be an active member of the European Regulators' Group for Audiovisual (ERGA) expert working group looking at country of origin issues during 2015.*

A5.315 Three stated that Ofcom should prioritise work with the Government and BEREC to ensure that any new measures to reduce the costs of international data roaming also limit the charges that foreign networks can levy on UK MNOs for data roaming and do not benefit incumbent operators.

A5.316 *Ofcom is actively engaging with both the Government and BEREC to help ensure that any regulatory interventions at the retail level of the international roaming market are accompanied by appropriate wholesale interventions in that market.*

A5.317 Mr Ewan Sutherland proposed that Ofcom should undertake a technical evaluation of how its work would be affected in the event that the UK leaves the EU.

Comments on Ofcom's overall strategy and strategic purposes

A5.318 Respondents broadly agreed with our view that Ofcom's strategy and strategic purposes remain appropriate.

A5.319 BT proposed that Ofcom should augment its strategic purposes with specific commitments to encourage investment, provide regulatory certainty, take a consistent approach across markets, encourage international best practice and competition, and remove regulation wherever appropriate. It also 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.

A5.320 The City of London Corporation proposed that Ofcom should amend its strategy statement to state that Ofcom works in the specific interests of business customers.

A5.321 *Ofcom has a range of duties set out in domestic and European legislation. Ofcom's primary duty is to further the interests of citizens and consumers (including business consumers). In addition, sections 3, 4 and 6 of the Communications Act 2003 impose duties on Ofcom which include duties to:*

- *have regard to the desirability of encouraging investment and innovation;*
- *act consistently;*
- *contribute to the development of the European internal market; and*
- *review regulatory burdens.*

A5.322 The Welsh Government proposed a redrafting of Ofcom's strategic purposes so that they reflect "the reality of devolved government and provides, unambiguously, for direct accountability to Wales in areas such as Public Service Broadcasting".

A5.323 *After consideration, we have rephrased the relevant strategic purpose to make reference to our continued work with devolved administrations in the nations, as follows:*

"Contribute to and implement public policy as defined by Parliament, and where appropriate, by devolved administrations".

A5.324 Three proposed that Ofcom should review how effectively it delivers its work programme to ensure that it is scrutinised adequately.

A5.325 Three also stated that the 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 its timescales for doing so. 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.

A5.326 *Due to the fast-moving nature of market developments in communications sectors, it is not feasible for Ofcom to publish a five-year work plan. However, we monitor the market to ensure we are aware of potential issues that may arise in future and which have an impact on our approach to regulation. We include a list of these in Chapter 8 of the Annual Plan. As a means of setting clear objectives for the year ahead, we publish planned interim and final outcomes for our priority work areas in the Annual Plan. We then assess our success at achieving these in our Annual Report as a means of holding the organisation to account.*

A5.327 Three stated that Ofcom is insufficiently transparent about the cost of its activities. It also stated that for Ofcom's Chief Executive to appear only before Parliament's Culture, Media and Sport committee is an insufficient level of scrutiny.

A5.328 *Ofcom's projects and other activities are set out in our published Programme of Work. Our Annual Report and Accounts describes progress against our strategic priorities (and by inference the projects that underpin them), with a detailed analysis of our costs (including any variance) and income on a sector-by-sector basis. These are worked out and allocated according to our Statement of Charging Principles.*

A5.329 *This approach, together with the underlying methodology and computer models used for the cost allocation process, are consistent with the requirements set out in statute. They are also subject to rigorous review by Internal Audit and by the National Audit Office as part of its annual audit plan.*

A5.330 *As set out in Chapter 8, we have set a budget of £114.3m for 2015/16, a 3.4%[13] real-terms reduction in comparison with the 2014/15 budget. Costs for 2015/16 by stakeholder sector have been finalised and are published in our Tariff Tables, alongside this document. There will not be any changes to the methodology used to calculate these charges.*

A5.331 *Ofcom's annual appearances before the Culture, Media and Sport committee are one of several such appearances. Our work is scrutinised by other such committees on an ad hoc basis, including the Public Accounts Committee as well as those of the devolved legislatures. Ultimately, it is for Parliament and the devolved legislatures to determine the extent to which they scrutinise our work. We remain fully accountable to Parliament and open to any such scrutiny.*

[13] Based on January 2015 RPI of 1.1%.

A5.332 Vodafone considered that Ofcom is insufficiently transparent about how it determines its organisational priorities.

A5.333 *As set out in Chapter 3 of the Annual Plan, we consider the following factors when determining our organisational priorities for the forthcoming financial year: Ofcom's ownership of the issue and our existing remit; the scale and clarity of project deliverables; the importance of the issue; and the demand on internal resources.*

A5.334 EE stated that the Draft Annual Plan did not provide sufficient detail about how Ofcom determines what "discretionary" work it undertakes. It suggested that, with regard to consumer policy in particular, work should be driven by an assessment of harm and / or market failure, that this should be clearly articulated and, where possible, quantified.

A5.335 *Ofcom's prioritises its consumer work on the basis of evidence of consumer harm.*

A5.336 EE and Three stated that Ofcom should publish more information on the cost and outcomes of its activities. EE stated that this should be applied in relation to substantial discretionary projects in particular. It proposed that Ofcom may undertake too many projects with over-long timescales. It suggested that Ofcom could be more transparent with regard to the consultation responses that it accepts or does not take on board.

A5.337 *We do not publish costs of individual projects, but we do publish planned interim and final outcomes for our priority work areas. Some projects have clear deliverables and are short term in nature, while other work is more programmatic. In Chapter 2 of the Annual Plan we set out the main themes from consultation responses and the resulting changes we have made to the Plan. We also respond to stakeholders' individual points, as appropriate, in this Annex.*

Deregulation and simplification

A5.338 EE, KCOM, SSE plc, Three, UKCTA and Vodafone 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. Several stakeholders proposed that Ofcom should take account of duplication caused by the application of General Conditions to different services within retail bundles of communications services.

A5.339 *Development of the General Conditions (GCs) over time has created a proportionate framework for sector specific consumer protection, to run alongside and complement cross-sectoral consumer protection provisions. It is important for proportionate consumer protection to apply to all services within scope, whether purchased stand-alone or in a bundle. We are not planning a review of all of the GCs in 2015/16, although we may consider some individual GCs within a number of projects.*

A5.340 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.

A5.341 Vodafone stated that the requirements of the GCs 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.

A5.342 Three requested that Ofcom clarify operators' complaints handling and dispute obligations under GC 14. It stated that GC 14 was unclear and should distinguish between complaints and other forms of customer contact.

A5.343 *The GCs apply to any provider of electronic communications services or networks. Ofcom has published guidance on the GCs here.*

A5.344 *Regarding replacing GC 14 obligations for the publication of different codes of practice with less prescriptive requirements, it is important to note that these obligations have been drafted in the light of specific concerns regarding the provision of information by originating communications providers to their customers about premium rate services, number translation services, 0870 calls, personal numbers and features, and / or limitations in their service provision, which differ from publicly available telephone services provided over a Public Communications Network. Therefore they are specifically targeted at addressing shortfalls in the market where consumers were formerly not being provided with relevant information.*

A5.345 *Ofcom has an enforcement programme underway in respect of GC 14 complaint handling, including an ongoing investigation into EE's compliance with these rules. We are also conducting a consultancy study to help us better assess whether the main communications providers are meeting their obligations to facilitate appropriate access to alternative dispute resolution and whether, by extension, they have fair and effective complaints handling procedures more generally. We will consider any further clarifications and changes that may be appropriate in the light of this ongoing work.*

A5.346 Three stated that users of OTT services should receive consumer protection to that within the General Conditions.

A5.347 *We consider that comprehensive protections need to be in place for consumers of the services we regulate. This is provided by a framework of cross-sectoral and sector-specific consumer law. The scope of the General Conditions is set out in the Communications Act and allows for regulation of Electronic Communications Services. We consider the need for additional protections case by case on the basis of the available evidence.*

A5.348 Mr J. P. Gilliver proposed that Ofcom should consider deregulating the modes of operation of low power devices.

A5.349 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, in particular regarding "legacy" products. It proposed that Ofcom could abandon complex charge control modelling for price indexing in future.

A5.350 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.

A5.351 BT, EE 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.

A5.352 *We recognise the burden that our data requests and consultations place on our stakeholders. We seek to minimise this burden by only asking for information that we believe is necessary and where possible by timing our various requests and consultations to avoid demand peaks.*

A5.353 *However, it needs to be recognised that Ofcom is an evidence-based regulator which is required to be consultative and transparent in its decision-making processes. Furthermore, Ofcom's decisions and the process by which they were made are appealable. The standards to which we operate and by which we are measured are therefore intensive.*

General comments

A5.354 Three commented on the appeals process that applies in respect to many of Ofcom's decisions. It urged Ofcom to continue to press the Government to streamline that process.

A5.355 *It is important that stakeholders should be able to appeal important decisions we make if they consider that we have made a material error. We remain of the view that any such appeals need to be considered effectively and efficiently, and we note that the Government has consulted on amending the current standard of review that applies. We also note that the Government is currently consulting on the Competition Appeal Tribunal's rules of procedure, and we are actively engaging in that review, which we welcome.*

A5.356 The Communications Consumer Panel encouraged Ofcom to do more to identify where it can facilitate other stakeholders' work on consumer issues, or encourage other stakeholders to address them, where it does not have powers to intervene.

A5.357 *Ofcom understands that its interests and work overlaps with other agencies and stakeholders in many areas. We often work to achieve good outcomes through collaboration with these stakeholders, both in formal exercise of our powers and on a more informal basis. Examples include our multi-stakeholder approach to the prevention of nuisance calls and our extensive research, which informs and enables others to pursue their work.*

A5.358 Three recommended that Ofcom should meet and engage with operators more often, enabling industry to engage in problem-solving outside the formal consultation process.

A5.359 *We regularly hold informal meetings with stakeholders to discuss emerging issues and to seek solutions.*

A5.360 Mr Ewan Sutherland stated that Ofcom and its co-regulators do not meet relevant requirements to publish open data sources. He set out a number of proposals for improving engagement with Ofcom's consultations.

A5.361 *Ofcom data published in an open format includes the* Infrastructure Report 2014*, the* Communications Market Report *from 2010 on, the statistical release calendar,* Telecommunications Market Data Update 2014 *and our* Children and Parents:

Media Use and Attitudes Report 2014*. The data are published in an open and machine-readable format (.csv). This is in line with Government policy, as set out in the open data white paper.*[14]

A5.362 Mr J P Gilliver stated that he found the structure of the consultation unclear. He also proposed that Ofcom could raise public awareness of its work via advertising.

A5.363 *We raise awareness of our work through public consultations and public events, including our Annual Plan consultation events that take place in London and the nations each year. We also publish updates of publications (such as consumer guides) on our website and social media, including LinkedIn and Twitter.*

[14] Cabinet Office, *Open Data White Paper: Unleashing the potential*, June 2012, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/78946/CM8353_acc.pdf.