



# Proposed Annual Plan 2017/18

Making communications work for everyone

Consultation

Publication date: 29 November 2016

Closing date for responses: 7 February 2017

## About this document

Ofcom exists to make communications markets work for everyone. To achieve this, we are proposing three main goals: to promote competition and ensure that markets work effectively for consumers; to secure standards and improve quality; and to protect consumers from harm. Our proposed Annual Plan highlights some of the key work areas that we will seek to deliver in order to meet these goals, across the UK and its nations, in 2017/18. We also outline our broader ongoing work to support these goals, and how we will work for consumers across the UK's nations.

We will publish our final Annual Plan for 2017/18 in March 2017. The final Plan will take into account responses from stakeholders to the proposed Plan. The closing date for consultation responses to our proposed Annual Plan is 7 February 2017.

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## Section 1

# What we do

- 1.1 We regulate fixed-line and mobile telecoms, TV, radio, video-on-demand services, post, and the airwaves used by wireless devices. We help UK businesses and individuals get the best from communications services and protect them from sharp practices. Where appropriate, we support competition as the basis for delivering good consumer outcomes.
- 1.2 We act independently from governments and commercial interests to deliver our duties. However, we are accountable to Parliament, and to perform our role effectively we need to engage openly and constructively with governments. We provide technical advice to governments (for example, our regular reviews of public service broadcasting) and in some cases we act as a formal representative of the UK government (for example, in international negotiations on spectrum).

## Our principal duty is to further citizen and consumer interests

- 1.3 Ofcom was established under the Office of Communications Act 2002, and operates under a number of Acts of Parliament<sup>1</sup>. The Communications Act 2003 states that our principal duty is 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 postal services, our duty is to carry out our functions in a way that we consider will secure provision of a universal postal service in the UK. We implement and enforce communications, competition and consumer protection laws, and our competition powers are outlined later in this section.

## Our main legal duties guide the direction of our work

- 1.4 Our main legal duties are to ensure that:
  - the UK has a wide range of electronic communications services;
  - radio spectrum is used in the most effective way;
  - a wide range of high quality television and radio programmes are provided by a range of different organisations, appealing to a range of tastes and interests;
  - people are protected from harmful or offensive material, unfair treatment and invasion of privacy on the television and radio; and
  - the universal service obligation on postal services is secured in the UK.
- 1.5 Ofcom can enforce consumer law on behalf of consumers, but does not have the power to resolve individual consumer complaints about telecoms or postal services, unlike in TV and radio. Where appropriate, we provide advice to complainants and refer them to the alternative dispute resolution (ADR) schemes that we have approved.

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<sup>1</sup> These include the Communications Act 2003, the Wireless Telegraphy Act 2006, the Broadcasting Acts 1990 and 1996, the Digital Economy Act 2010 and the Postal Services Act 2011.

## **Integrating our new regulatory responsibilities for the BBC**

- 1.6 Since 2015, the UK Government has conducted a process to review and replace the BBC's Royal Charter, which expires at the end of 2016. As part of this Charter Review process, the Government published a White Paper in May 2016 setting out its key policy proposals. A central plank of these proposals was the reform of the BBC's governance and regulation, including the creation of a new unitary Board to run the BBC, and responsibility for external regulation of the BBC passing to Ofcom.
- 1.7 Under the current Charter, the BBC Trust is the BBC's main regulator and governance body. Ofcom regulates the BBC only in relation to certain editorial standards (but not accuracy and impartiality complaints), supports the BBC Trust's decision making around competition concerns, and periodically reports on BBC performance as part of our Public Service Broadcasting Reviews.
- 1.8 Under the new BBC Charter, from 3 April 2017 Ofcom's responsibilities will include three key areas: responsibility for investigating the full range of editorial standards complaints (including accuracy and impartiality complaints); assessing the BBC's performance against its Mission and Public Purposes; and regulating the impact of the BBC's activities on fair and effective competition.
- 1.9 We have already started to consult on our new frameworks for regulation of the BBC, and arrangements are in place to ensure an effective transition between the old and new regulatory regimes. In 2017/18 we will complete any preparatory work, and deliver our new responsibilities to ensure the BBC is held to account by a strong and effective regulatory framework that recognises the BBC's role as the cornerstone of Public Service Broadcasting in the UK.

## **Ofcom's competition law powers**

- 1.10 In addition to our regulatory responsibilities set out above, we have powers in relation to communications matters;<sup>2</sup> to:
  - enforce the prohibitions on 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).
- 1.11 Ofcom considers whether it is more appropriate to exercise Competition Act or sectoral powers in any given case, subject to the specific legislative requirements.
- 1.12 We are currently investigating one case under our competition law powers, namely, 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.

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<sup>2</sup> The term 'communications matters' covers various aspects of electronic communications, as well as broadcasting and the provision of postal services. We exercise these powers concurrently with the CMA.

## Section 2

# Changes in the markets we regulate

2.1 In setting our goals and Annual Plan, we have considered the rapidly changing environment in which we operate. Communications markets are fast-moving, with changing consumer and business needs and ongoing innovation in networks, devices and services. This section briefly examines the key factors influencing the communications markets we regulate.

## Changing consumer and business needs

### Connectivity is increasingly central to UK consumers and businesses

2.2 The internet is playing an increasingly central role in the lives of people in the UK. In August 2016, 86% of UK adults had access to the internet at home, the average UK internet user reported spending 25 hours online each week, and 75% considered the internet “important” to their daily lives.<sup>3</sup> People use the internet for a variety of activities, including person-to-person communication, social networking, news consumption and watching TV. The internet has also transformed the way in which audiences access news, and is gradually changing TV consumption. For example, in 2016 around six in ten UK adults used video-on-demand services such as BBC iPlayer, All4, Netflix or Amazon,<sup>4</sup> with 6 million households subscribed to Netflix.<sup>5</sup> In 2015, UK mobile data use grew by over 60%, while household/small businesses’ fixed data use grew by 40%.<sup>6</sup>

2.3 Connectivity is also increasingly important for UK businesses. For example, teleworking, online access to customer and public services, e-commerce and cloud-based office software are increasingly common. Further, machine to machine (M2M) communications – with applications ranging from ‘smart’ utility meters to connected cars to fleet management systems – are increasingly common, with 6.7m connections in the UK.<sup>7</sup>

## Investment in new and evolving network technologies

### Operators are investing in networks to improve speed and meet user needs

2.4 Responding to these demands, fixed network operators are investing to increase the speeds of existing networks, including through the use of fibre to the premises (FTTP), to provide higher speeds directly to homes and businesses. For example, BT has announced plans to deliver FTTP to two million premises by 2020, while Virgin Media’s ‘Project Lightning’ will extend cable coverage to 60% of premises. As a result of investment, ‘superfast’ broadband speeds of at least 30Mbit/s are now available to 88% of UK premises.<sup>8</sup> In its Autumn Statement, the Government has also announced

<sup>3</sup> Ofcom, *Communications Market Report 2016*, pp. 31, 179-187.

<sup>4</sup> Ofcom, *Public Service Broadcasting Report 2016*, p. 12.

<sup>5</sup> BARB Establishment Survey 2016.

<sup>6</sup> Ofcom, *Connected Nations 2015*, pp. 6, 31.

<sup>7</sup> Ofcom, *Communications Market Report 2016*, p. 137.

<sup>8</sup> Ofcom, *Communications Market Report: Scotland*, 4 August 2016, p. 55.

a broadband investment fund of £400m to support the further deployment of fibre networks.<sup>9</sup>

- 2.5 Mobile network operators are also upgrading their networks, rolling out 4G and using WiFi and small cells to improve mobile data coverage. Research into and preparation for future 5G networks continues, with the potential to provide speeds up to 40 times faster than current 4G networks.

### **However, concerns remain about availability and connection quality**

- 2.6 Despite increased network investment, an estimated 1.3m, or 5% of, UK households are unable to receive a decent broadband speed of 10Mbit/s to allow effective access to the internet.<sup>10</sup> This risks creating a 'digital divide' between those who can fully engage with new communications technologies and those who cannot. In addition, the quality of service in telecoms has failed to meet people and businesses' expectations. Fault rates and repair times cause considerable concern and dissatisfaction.

## **A new, converged communications landscape is emerging**

### **Online media is changing the competitive landscape for established players**

- 2.7 As consumers increasingly use internet-delivered, "over-the-top" (OTT) services for media, OTT-providers have begun to invest in content production, including original UK content, thereby challenging established media providers. For example, Amazon has launched a competitor to the BBC's *Top Gear*. Established broadcasters and pay-TV operators have also entered the video-on-demand (VOD) market, resulting in an increasingly complex and shifting competitive landscape. As the BBC has exploited new online opportunities for delivering its public purposes, the competitive impact of these activities has become a focus of concern for some stakeholders.

### **M&A activity continues to reconfigure the communications industry**

- 2.8 In recent years there has been a wave of mergers and acquisitions among European communications firms, driven by convergence of services and the continuing importance of scale. Examples include 'quad-play' mergers combining fixed and mobile operators (e.g. BT's acquisition of EE); horizontal international mergers (e.g. the acquisition of Virgin Media by Liberty Global, and BSkyB's merger with Sky Deutschland and Sky Italia) and vertical acquisitions by pay-TV operators investing in content firms (e.g. Liberty Global acquiring a stake in Eurosport and Formula 1).

## **Changes in the policy and regulatory spheres**

- 2.9 The impact on the communications market of the UK's vote to leave the European Union remains to be seen. Any such impact is likely to depend on questions such as the UK's relationship with the EU single market. So far, industry stakeholders have not indicated plans for relocation or changes to investment levels.
- 2.10 We will continue to work closely with relevant international stakeholders and regulatory bodies to support and protect the interests of UK consumers and businesses. This will include contributing to the on-going review of the EU Electronic

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<sup>9</sup> HM Treasury, *Autumn statement 2016*, p. 28

<sup>10</sup> Ofcom, *Communications Market Report: Scotland*, 4 August 2016, p. 53.

Communications Framework and the Audiovisual and Media Services (AVMS) Directive, given these provisions are likely to have implications for the UK's future regulatory arrangements.



## Section 3

# Our goals and highlights for 2017/18

3.1 Ofcom exists to make communications markets work for everyone. To achieve this, we have three high-level, long-term goals:

**Promote competition and ensure that markets work effectively for consumers**

**Secure standards and improve quality**

**Protect consumers from harm**

3.2 The 2017/18 financial year is likely to be one of significant change for Ofcom, implementing our digital communications strategy and taking on our new BBC responsibilities. To ensure we deliver positive outcomes for people and businesses, we need to remain adaptable and flexible whilst delivering on this annual plan. To help with this, we set out below three areas of particular importance for people and businesses within our 2016-17 work programme. Ofcom will ensure the following areas are adequately prioritised in the coming year:

- implementing the conclusions from our Digital Communications Review, including strengthening Openreach's strategic and operational independence from BT;
- successfully completing the integration of our new responsibilities for regulating the BBC. This includes issuing and enforcing new regulatory frameworks holding the BBC to account on delivering its Mission and Public Purposes, its impact on fair and effective competition, and its application of content standards; and
- awarding further mobile spectrum (the 2.3GHz and 3.4GHz spectrum bands) to help meet the growing demand for mobile services and capacity.

3.3 To achieve our goals, we need to address specific challenges within our sectors. For each goal, we highlight below the key work areas of particular importance in 2017/18. For the coming year, this covers twelve broad areas. Further detail on our wider work plan, including these highlighted areas of work, can be found in Annex 1. In addition, our broader programmatic work supports these goals on an on-going basis (Section 5).

## **Promote competition and ensure that markets work effectively for consumers**

3.4 **Our aim** is to ensure consumers and businesses benefit from a range of communications products and services, with the market providing good outcomes in terms of choice, price, quality, investment and innovation.

3.5 **We do this by** ensuring that markets can work effectively, through regulation where appropriate, so that consumers can gain from the benefits of competition.

### Areas to highlight from our 2017/18 work plan:

- 3.6 **Enabling competing operators to invest in super- and ultra-fast fixed-line networks.** We will open up and improve access to Openreach's ducts and poles and apply appropriate price controls to BT's regulated access network products, to create the opportunity for all operators to deploy their own fibre networks.
- 3.7 **Promoting competition in fixed-line services,** by strengthening Openreach's strategic and operational independence from BT. We will implement reforms to Openreach's governance to make it more independent, reducing the risk of discrimination in investment decisions, encouraging new investments and improved relationships with all of its downstream customers.
- 3.8 **Publishing better, more granular information** for people and businesses on the availability, speed, quality of service, and pricing of communications services. We will also improve people's ability to engage with the market and switch providers by making changes to triple-play switching where required.
- 3.9 **Ensuring fair and effective competition to deliver a wide range of high quality and varied content for broadcasting audiences,** including assessing whether the potential public value of new services (or significant changes to existing services) proposed by the BBC justifies any potential effect on competition. This is in addition to our work on public service broadcasting performance and diversity, discussed in 3.16 and 3.17 below.

### Secure standards and improve quality

- 3.10 **Our aim** is to secure widespread availability, affordability and accessibility of good quality communications and broadcast services, for end-users across the UK.
- 3.11 **We do this by** recognising, while competition is at the heart of our approach to ensuring good outcomes for consumers, competition alone cannot deliver the full range of desirable outcomes. Where this is the case, we make targeted interventions to improve consumer and citizen outcomes.

### Areas to highlight from our 2017/8 work plan:

- 3.12 **Improving the coverage of fixed and mobile communications services to meet the needs of people and businesses across the UK,** including in rural and remote areas where commercial approaches have often failed to deliver on expectations. We will implement any UK Government decision on a broadband Universal Service Obligation (USO) to improve the availability of decent broadband services to people and businesses across the UK. We will also seek to support wider mobile coverage by assessing and implementing new regulatory approaches. These may include mobile licence conditions and coverage obligations in new licences for the 700 MHz spectrum band, and policy on mobile repeaters.
- 3.13 **Improving quality of service in fixed and mobile telecommunications services for consumers and businesses** - achieving a step change in Openreach's quality of service by rigorously applying and enforcing new minimum service levels and targets. We will also ensure that consumers and micro-businesses receive automatic compensation when things go wrong.

- 3.14 **Increasing the capacity of mobile networks by ensuring sufficient spectrum is available** for operators to provide mobile broadband services to people and businesses. We will award the 2.3GHz and 3.4GHz spectrum bands released by Government.
- 3.15 **Securing quality in Public Service Broadcasting (PSB)**, by: a) implementing a new approach to performance assessment of the BBC, holding the BBC to account for delivery to its audiences including the distinctiveness of its output and services; and b) assessing Channel 4 Corporation's performance in delivering its media content duties through the annual Statement of Media Content Policy process. This is in addition to our work relating to competition in broadcasting as discussed in 3.10 above.
- 3.16 **Ensuring broadcasting represents and accurately portrays UK society**, by ensuring that the BBC's output reflects, represents and serves the diverse communities of the UK's nations and regions, and by monitoring and reporting on diversity and equality of opportunity across the Public Service Broadcasters.

### Protect consumers from harm

- 3.17 **Our aim** is to ensure consumers do not face sharp practices and vulnerable consumers are protected from specific harms where they may be at risk.
- 3.18 **We do this by** intervening directly to protect consumers, especially vulnerable groups at risk of harm. We implement additional measures where there is a risk of exposure to harmful behaviour by firms, or to offensive content on television and radio.

### Areas to highlight from our 2017/18 work plan:

- 3.19 **Protecting audiences from harmful content in TV, radio and on-demand services.** We will ensure that content meets the relevant standards, whilst considering audience complaints under the Broadcasting Code and other applicable codes and guidelines. We will embed our new duties for considering BBC complaints into our on-going programme of work for editorial standards. This year for the first time we will be responsible for investigating complaints around the BBC's accuracy and impartiality.
- 3.20 **Improving outcomes for landline only customers** by considering appropriate responses to concerns on competition, choice and price in the retail landline-only market. Our aim is to ensure these customers (many of whom are vulnerable consumers) benefit from choice and value for money.
- 3.21 **Addressing nuisance calls** by working with UK communications providers to monitor and block problematic call traffic, and with international partners on enforcement and caller line identification. We will also work closely with the Information Commissioner's Office (ICO) and other bodies to reduce nuisance calls, which are particularly harmful for vulnerable consumers.

### Our approach to regulation in 2017/18

- 3.22 To deliver our purpose of making communications work for everyone, it is essential that the regulations which apply to communications markets remain appropriate. 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. These requirements inform all of our regulatory work, including our market review programme. In addition, some activities planned for 2017-18 will allow us to investigate further scope for removing or amending current regulation.

- 3.23 Ofcom's consumer protection regulation is underpinned by the "General Conditions of Entitlement", a set of legal obligations to which electronic communication providers or networks must adhere. We are carrying out a review of the General Conditions of Entitlement to produce a coherent set of regulatory conditions which are clearer and more practical, easier to comply with and simpler to enforce.
- 3.24 Our narrowband consultation put forward proposals for deregulation in light of increased competition and new choices of voice services for consumers, including proposals to end cost-based charge controls for Wholesale Line Rental and Wholesale Call Origination. We are also consulting on the case for deregulating newly connected ISDN lines and simplifying several elements of the regulatory regime which applies to existing ISDN lines.
- 3.25 Our Wholesale Broadband Access consultation will explore opportunities for deregulation in geographic areas where network-based competition is already effective in achieving good results for residential consumers and small businesses.
- 3.26 We are also investigating the scope for limiting legal restrictions on the use of mobile repeaters by inviting inputs from communications providers and equipment vendors on the key parameters needed to prevent harmful interference, with a view to developing a voluntary national specification. This specification would set out the parameters under which consumer-installed repeaters might be brought to market as licence-exempt devices.
- 3.27 We are actively exploring new areas where we can empower stakeholders and consumers through the provision of better and more accessible information. We continue to promote our open data policy, with a view to identifying and publishing a range of new data sets in 2017/18. We will also engage with third parties who have re-used our data, in order to understand how future releases can better meet their needs and in turn benefit citizens and consumers.
- 3.28 In addition, we are releasing information to enable stakeholders to better understand how spectrum is used. We have started with the publication of our interactive spectrum map, and have since released information on spectrum use in open format for easy re-use.

## Section 4

# Delivering our goals across the UK

- 4.1 We are committed to delivering for citizens and consumers across all the nations and regions of the UK. To do this effectively, we need to take account of national and regional diversity. We do this by engaging a range of stakeholders in each nation through our offices in the nations, and by working closely with Ofcom's four national Advisory Committees, which provide advice and challenge.
- 4.2 Further devolution to Scotland, Wales and Northern Ireland will see changes to our Board over the coming year, with the administrations in Edinburgh, Cardiff and Belfast each appointing a new Ofcom Board member. In addition, new Memoranda of Understanding will set out formal arrangements for Ofcom to consult with devolved governments and legislatures on our strategic priorities and to provide evidence to Committees of the Scottish Parliament, the Northern Ireland Assembly and National Assembly for Wales as requested.

### Common challenges

- 4.3 The full range of Ofcom's work on regulating communications, postal services and broadcasting is important for people and businesses across the UK. Good quality communications services are critical to people and businesses wherever they are located. Public Service Broadcasting should reflect cultural identity at the UK, national and regional levels. This section highlights some aspects of our work for the coming year which are common to all nations, alongside some specific work with particular relevance for individual nations.
- 4.4 Providing fixed broadband, mobile, and postal services that meet the needs of consumers and SMEs in rural and remote areas presents particular challenges, given their economic geography. These areas fall disproportionately within Northern Ireland, Scotland, and Wales, as well as some English regions.
- 4.5 In 2017/18, we will publish reports on broadband and mobile coverage and speeds, including data on variations between rural and urban consumers. We will make this information available and accessible through publications giving detail for each nation. In addition, we will work to improve the availability of broadband services by implementing any UK Government decision on a broadband universal service obligation. We will also work to improve mobile coverage, for example through further coverage obligations on new spectrum or wider policy action where appropriate. Finally, we will continue our work to better understand the causes and effects of parcel surcharging in Northern Ireland and the Highlands and Islands of Scotland.
- 4.6 We will monitor all Public Service Broadcasters' (PSBs) compliance with their licence conditions regarding programmes made outside London and England. In addition, on 3 April 2017, Ofcom will take on regulation of the BBC. We will be responsible for holding the BBC to account for ensuring that its output reflects, represents and serves the diverse communities of the UK's nations and regions, in line with the new Royal Charter agreed in November 2016. We will put in place an Operating Licence structure that reflects the particular requirements on the BBC to deliver in each of the UK's nations. The 2015 *PSB Review* raised particular concerns from audiences that people from black, Asian or minority ethnic (BAME) backgrounds were under-

represented in and under-served by PSB TV content. In 2017/18, we will monitor and report on diversity and equality of opportunity across the PSBs.

## England

- 4.7 As well as the question of connectivity in rural areas, high population density in England's urban areas - and London in particular - presents different challenges for network operators. Our work on mobile broadband speeds and consumer research on reception and ease of access will help us to identify network and quality-of-service problems, including potential issues for urban users.

## Northern Ireland

- 4.8 We will continue to work with the Northern Ireland Executive, the Northern Ireland Assembly and local councils, offering regulatory and technical advice, particularly in support of improved broadband roll-out and mobile coverage.
- 4.9 We will ensure that the benefits of any reforms to Openreach are felt across the UK including Northern Ireland, taking into account of the specific local circumstances and current outcomes for people and businesses. Today, BT's Northern Ireland Networks division acts as Openreach's agent.
- 4.10 Northern Ireland's border with the Republic of Ireland presents unique challenges, with many services available in both jurisdictions. While this can benefit consumers, such as through a greater choice of TV and radio stations, it can also cause harm, such as when consumers incur cross-border mobile roaming charges. We will continue our strong relationships with the Irish regulatory authorities in order to co-ordinate our work, preserve cross-border services and protect consumers.

## Scotland

- 4.11 We will continue to work with the Scottish Government, Committees and Members of the Scottish Parliament and the Scotland Office, including through the provision of technical advice. We will also engage with the Scottish Government's Competition and Consumer Policy Unit in relevant markets and Cross Party Groups in Holyrood (for example on digital participation).
- 4.12 Ofcom has now opened new premises in Edinburgh as part of our strategy to move part of our operations outside London. We aim to build a policy and operations hub to help ensure that we can effectively represent the interests of citizens and consumers not just in Scotland, but across the UK.

## Wales

- 4.13 In 2017/18 we will continue to work with the Welsh Government and National Assembly for Wales and Wales Office to improve communication services across Wales by offering technical advice, particularly in support of improved broadband roll-out and mobile coverage.
- 4.14 We will implement the new Welsh Language Standards legislative framework as set out in the Welsh Language Commissioner's Final Compliance Notice issued on 25 July 2016 (which replaces Ofcom's existing Welsh Language Scheme).

## Section 5

# Ongoing work to fulfil our duties

- 5.1 In sections 3 and 4 above we have highlighted areas of work that will help us meet our goals in 2017/18 across the UK. Our broader programme of ongoing work also helps us achieve our goals. It includes important activities that are key to ensuring that consumers experience good outcomes in communications markets. Much of this work is non-discretionary for Ofcom, as it is required by statute. Typically, our approach to delivering this work does not change substantially from year to year.

## Promote competition and ensure that markets work effectively for consumers

### Allocating numbers

- 5.2 Ofcom allocates geographic telephone numbers to communications providers, who then issue these to consumers. We ensure efficient use of numbers, minimising the need for disruptive and costly measures to address shortages.

### Monitoring pay TV

- 5.3 Ofcom tracks market developments across the pay TV value chain to understand the consumer experience and retail competition as the sector evolves. We will continue to monitor any concerns in relation to access to pay TV content (including supply of premium sports content) and TV platforms, enabling us to intervene quickly, if necessary.

### Monitoring the effectiveness of the regulatory framework for post

- 5.4 As set out in last year's plan, by March 2017, Ofcom will have completed its fundamental review of the regulation of Royal Mail. In our May 2016 consultation, Ofcom proposed retaining the current approach to postal regulation. However, as can be seen from our 2017/18 Work Plan (see Annex 1), there will be some additional work carried out in the coming financial year implementing aspects of the fundamental review.
- 5.5 We will continue to monitor a range of factors including Royal Mail's performance on efficiency, quality of service, the financial performance of the universal service network, and competition in parcels and letters. We will continue to publish our view of Royal Mail's efficiency. We also intend to continue to monitor consumers' experiences in the postal sector.

### Competition enforcement

- 5.6 Ofcom enforces the regulatory conditions that we impose on communications providers which have a competition focus. We also assess complaints and determine disputes between providers of electronic communications networks and services and conduct investigations under competition law.

## Secure standards and improve quality

### Spectrum management and planning for future requirements

- 5.7 Ofcom ensures UK radio spectrum is used in the most efficient way. This includes planning for future spectrum requirements, such as for mobile data and fixed wireless backhaul. We will conduct technical studies for 5G candidate bands identified at the World Radiocommunications Conference 2015, explore spectrum sharing opportunities as part of our strategic sectoral reviews.

### Spectrum authorisation

- 5.8 Ofcom plans efficient use of radio spectrum in the UK in ways which limit interference between users and maximise benefits to consumers. We authorise the use of spectrum by issuing licences, and by making rules to allow use without a licence.

### Spectrum assurance and enforcement

- 5.9 Ofcom advises and assists spectrum users to help resolve harmful interference. Our Spectrum Technology, Engineering and Enforcement Teams handle reports of interference and carry out activities to protect and manage the UK's spectrum. These include reacting to interference to safety-of-life communications and proactively preventing unauthorised use of spectrum by identifying and addressing unlicensed use of spectrum and the sale or use on non-compliant equipment. Our enforcement is proportionate, in accordance with our statutory duties and regulatory principles.

### Releasing information and analysis on spectrum use

- 5.10 We release information on spectrum use in an open format, including by publishing interactive spectrum maps to analyse the various geographic aspects of spectrum use. We will continue to release information and undertake analysis on specific sectors' use of spectrum to support our own strategic reviews, and to enable stakeholders to better understand how spectrum is used.

### Radio and TV broadcast licences

- 5.11 Ofcom issues licenses for all national and local UK commercial TV services and all analogue and digital commercial and community radio services. In serious cases of non-compliance with licence requirements, Ofcom can revoke licences.

### Monitoring Openreach's copper and fibre access products' quality of service

- 5.12 We monitor Openreach's performance in the delivery of its copper-based voice and broadband access services and its fibre-based access services (leased lines for businesses). We will ensure that Openreach is meeting the minimum quality standards imposed in our 2014 Fixed Access Market Review Statement and 2016 Business Connectivity Market Review Statement, and detect any other issues with the quality of Openreach's fixed access products.

### Network security and resilience

- 5.13 Ofcom ensures that network operators design and operate networks in line with good security practice and we work to ensure compliance with our guidance. We also collate reports on network failures and provide them to the European Commission.



We follow up incidents of concern to understand the cause and steps taken to respond, in order to minimise future risk.

## Protect consumers from harm

### Programme standards enforcement

- 5.14 Ofcom ensures that the content of TV and radio services meets certain standards. We consider complaints received from members of the public about broadcast content in TV and radio programmes if the complainant believes a programme fails to meet these standards. With regards to BBC programmes, Ofcom will consider referred complaints from 3 April 2017 if the complainant is not satisfied with its resolution by the BBC. We consider the complaints received against the Broadcasting Code and other relevant codes and guidelines.

### On-demand programme services

- 5.15 Ofcom regulates catch-up and video-on-demand services which meet the statutory definition of an 'on-demand programme service'. The applicable rules relate to material which might seriously impair the development of children; prohibited material such as incitement to hatred; and prohibited commercial references.

### Consumer protection and investigations

- 5.16 Ofcom actively enforces the regulatory conditions that we impose on communications providers, as well as general consumer law. We routinely monitor complaints, analyse evidence and take swift action to deal firmly and effectively where we see harm, including formal investigations and penalties where appropriate.

### Complaints handling

- 5.17 Communications providers must have, and comply with, procedures that conform to the Ofcom-approved *Code of Practice for Complaints Handling*. We have an ongoing programme to drive improvements in this area, including ensuring that providers make consumers aware of alternative dispute resolution (ADR) mechanisms, in particular through letters informing them of their right to go to ADR after eight weeks if complaints remain unresolved.

## Other work across our goals

### Conducting market research and updating market intelligence

- 5.18 Ofcom undertakes a broad programme of research into communications markets and consumer preferences and behaviour. This research ensures that we have an up-to-date and thorough understanding of consumers in the markets we regulate. Our market intelligence work collects data directly from industry stakeholders and makes it available through publications and website [data updates](#). Our [Statistical Release Calendar](#) provides links to all statistical data on a regular and recurring basis that informs government decision-making.

### **Engaging with the UK government, devolved governments and administrations, and other bodies on audience protection**

- 5.19 Ofcom engages with governments, industry and other bodies to promote the safety of audiences, especially children, across traditional and online environments. We play an active role in supporting the Government's UK Council for Child Internet Safety (UKCCIS). We also work closely with other regulators across Europe, through the European Regulators Group for Audio Visual media services (ERGA), to enhance the protection of audio-visual services.

### **Engaging with the UK government, devolved governments and administrations, and other bodies on technical and spectrum matters**

- 5.20 Ofcom engages with UK Government, devolved governments and administrations, and a range of other bodies across the UK, advising on technical issues. For example, we advise the UK Government and devolved governments and administrations on availability issues through our work as part of the Digital Infrastructure Task Force and provide support for improving mobile coverage on trains. We support the Government's Central Management Unit in achieving the Government's target of releasing or sharing the spectrum that Government departments currently use. We will also work with the Information Commissioner's Office and other organisations on matters such as exploring solutions to data privacy issues for the Internet of Things.

### **Engaging with international stakeholders**

- 5.21 Ofcom engages with a range of international stakeholders in the field of communications regulation, to learn from their experiences and ensure that emerging policy thinking responds to the needs of UK consumers. We actively participate in European regulatory networks, such as the Body of European Regulators for Electronic Communications (BEREC), the Radio Spectrum Policy Group (RSPG) the European Regulatory Group for Audiovisual (ERGA), and the European Regulators Group for Post (ERGP). We represent the UK, under Ministerial Direction, in the International Telecommunications Union (ITU) and, as part of this, lead the UK delegation at the World Radiocommunications Conference (WRC) and World Telecommunication Standardisation Assembly (WTSA).

## Section 6

# Ensuring value for money

### We will continue to deliver efficiencies and savings

- 6.1 The Government set out its plans in the November 2015 Spending Review to reduce the deficit in public finances. Further substantial savings are expected to be achieved by public sector bodies.
- 6.2 Ofcom will continue play its part in meeting the challenge facing public finances and is committed to achieving real-terms reductions over the Spending Review period. The proposals set out for 2017/18 build on our previous work to reduce our budget; Ofcom has delivered 12 consecutive years of like-for-like real-terms budget reductions, and will continue to reduce spending wherever it can.

### Our budget for 2017/18

- 6.3 Our 2017/18 Annual Plan supports the efficiencies that we identified and set out in previous Annual Plans. It also reflects our commitment to providing value for money, particularly important as we respond to new challenges in the markets we regulate. In light of this, we have set our budget at £120.5m, which includes capacity for our new responsibilities regulating the BBC. Excluding the additional costs related to our new BBC responsibilities, this represents a 1.8% real-terms reduction from 2016/17<sup>11</sup>. Due to the timing of the Government's Autumn Statement, we will consider any changes necessary to our budget for 2017/18 and set this out in the final version of this Annual Plan.
- 6.4 The Digital Economy Bill has now been published and sets out measures to simplify Ofcom's funding model. These proposals mean that Ofcom would be funded entirely through industry fees and charges, a more efficient model that also helps to underline our independence.
- 6.5 Costs for 2017/18 by stakeholder sector will be published in our Tariff Tables alongside the final Annual Plan. Our work plan is reflected in the tariffs we have set, and there is no change to the method we have used to calculate these charges.

### How we will manage our resources in 2017/18

- 6.6 We continually look at how we carry out our work, to make sure that what we do supports our aim to make communications markets work for everyone. Where resources are limited, we will make choices, guided by our goals and our duty to promote citizen and consumer interests.
- 6.7 Following an internal review, we have relocated a number of roles to our hubs in the North-West of England and Scotland, including Ofcom's Customer Contact Team and spectrum licensing services. This has reduced our London footprint and we have commenced an Agile working project to ensure that we are using our remaining property space as efficiently and effectively as possible.

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<sup>11</sup> [Based on HM Treasury's Gross Domestic Product \(GDP\) deflator](#)

- 6.8 As part of our ICT Strategy, we re-contracted our ICT provision (and other key supplier contracts) and moved some of our functions and systems to cloud-based platforms. This supports more collaborative working and will continue to save money.
- 6.9 We have a robust assurance framework in place with a focus to secure value for money on the 700MHz spectrum clearance programme, and to maximise the benefits to the wider UK economy, and we are working closely with Government to deliver the programme objectives to an accelerated delivery plan.
- 6.10 Over recent years, we have completed a number of significant cost reduction and efficiency initiatives. The savings from these will continue to flow through to this year and future years.

## Annex 1

# Work plan for 2017/18

A1.1 Below, we set out our proposed work plan for 2017/18. We provide detail on the projects underpinning our key work areas, as set out in Section 3, as well as our wider work plan to achieve our goals.

## Promote competition and ensure that markets work effectively for consumers

### Enabling competing operators to invest in super- and ultra-fast fixed-line networks

Project details	Project director	Milestone
<p><b>Improving access to Openreach's telegraph ducts and poles:</b> to achieve our goal of making it easier and more cost effective for telecoms providers to invest in advanced, competing network infrastructure making use of existing duct and pole infrastructure, we will consider amendments to how other telecoms providers gain duct and pole access, covering both costs and processes, to ensure telecoms providers are not disadvantaged compared to BT when using Openreach's ducts and poles.</p>	Paul Jacobus	Publish statement: Q3 2017/18
<p><b>Conducting the Wholesale Local Access Market Review (WLAMR):</b> the WLAMR concerns access to the fixed telecommunications infrastructure. WLA is the local connection between the end-user's premises and the local exchange/access node. This connection can be copper, cable or fibre based and is used to provide fixed line services such as voice calls and broadband. We will consider appropriate regulation for fibre products, copper products, and passive access (ducts and poles).</p>	Timothy Cross	Publish statement: Q3 2017/2018

### Promoting competition in fixed-line services by strengthening Openreach's strategic and operational independence from BT

<p><b>Strengthening Openreach's strategic and operational independence:</b> subject to consultation responses, we will work on preparing a notification to the European Commission to require changes to strengthen Openreach's strategic and operational independence.</p>	Clive Carter	TBC
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## Publishing better, more granular information for people and businesses and improving their ability to engage with the market

<p><b>Improving consumers' ability to switch:</b> we will be making a decision on potential reforms of the processes for switching landline, broadband and pay TV services between platforms.</p>	Katie Morrison	Publish statement on switching of triple-play services across platforms: Q2 2017/18
<p><b>Helping SMEs to engage in communications markets:</b> we plan to align our work with the Business Connectivity Market Review next year, where we will consider how we can promote SME engagement in communications markets.</p>	Ian Macrae	Publish Report: Q4 2017/18
<p><b>Improving information on fixed broadband speeds and availability:</b> we will continue to provide accessible and comparable information to consumers regarding availability and estimated speeds for superfast and ultrafast fixed broadband and for mobile networks. For fixed networks, we will provide certain data at a household level. Relevant data will be published in our <i>Connected Nations</i> reports and accompanying visualisation tools.</p> <p>In addition, we will continue to provide updates to the government's Digital Infrastructure and Inclusion Task Force on broadband speeds.</p>	Gary Clemo	Publish Connected Nations report and update consumer tools: Q3 2017/18
<p><b>Improving mobile &amp; broadband consumer tool:</b> we will add new functionality to our broadband checker tool to provide more advanced diagnostics of broadband performance issues and gather data from consumers using embedded survey questions. We will update the data used in the tools frequently, working with industry to explore the possibility of real time data feeds.</p>	Richard Moore	Improve consumer tools: Q1 2017/18
<p><b>Monitoring home broadband performance:</b> we are undertaking research covering the performance of UK residential fixed-line broadband connections in terms of a number of metrics, with results published at a UK and ISP package/technology level.</p>	Nick Collins	Publish performance report: Q4 2017/18
<p><b>Conducting the 'Smartphone Cities' report:</b> programme of mobile network performance measurement across the four UK MNOs. Key metrics include download speeds, webpage loading time and dropped voice calls.</p>	Jane Rumble/Beatrix Kalmar	Publish report (with ad-hoc testing): Q3 2017/18
<p><b>Reporting on mobile coverage app project:</b> we are undertaking an app-based research project which measures mobile coverage, voice and data performance and consumer use of mobile services.</p>	Beatrix Kalmar	Publish report: Q4 2017/2018

<p><b>Reporting on quality of service in the fixed and mobile sectors:</b> we will publish a range of comparative network and customer service quality measures for providers in the communications sectors.</p>	Sean O'Hara	<p>Publish Annual Quality of Service report: Q4 2017/18</p> <p>Complaints publications: quarterly</p>
<p><b>Monitoring pricing trends:</b> we will publish data on trends in pricing, and will assess changes in communications tariff prices and structures, how they are advertised, and how they affect different consumer segments.</p>	Nick Collins	<p>Publish annual report into pricing trends: Q4 2017/18</p>
<p><b>Ensuring price comparison websites can help consumers navigate communications markets:</b> we will maintain our price comparison website accreditation scheme, adding new members and checking compliance. We will engage with the Competition &amp; Market Authority's market study of digital comparison tools and develop actions following its conclusions.</p>	Elisa Pruvost	<p>Publish review of the PCWs market: Q3 2017/18</p> <p>Undertaking regular audits of accredited PCWs: Q1 2017/18</p>
<p><b>Revising the Broadband Speeds code in line with changes to European directives:</b> we will revise the voluntary broadband speeds Codes of Practice for business and residential users, aiming to improve speed information; improve customers' ability to seek direct routes to redress when speeds fall below a minimum; ensure consistency of speed information between the Codes; incorporate new information requirements introduced by the Telecoms Single Market (TSM) regulation; and provide guidance on the speed information requirements of the TSM.</p>	Elisa Pruvost	<p>Publish draft codes: Q2 2017/18</p>

### Protecting fair and effective competition to deliver a wide range of high quality and varied content for broadcasting audiences

<p><b>Regulating the impact of the BBC on fair and effective competition:</b> we will regulate the impact of the BBC on fair and effective competition, including by assessing whether the potential public value of new services proposed by the BBC (or significant changes to existing services) justifies any potential impact on competition.<sup>12</sup></p>	Siobhan Walsh	Ongoing
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<sup>12</sup> Ofcom will publish a statement with further details on its BBC-related work for 2017/18 before April 2017, when its new BBC responsibilities come into force.

### Further projects to promote competition and ensure that markets work effectively

<p><b>EU Electronic Communications Framework:</b> the European Commission published proposals reviewing the Electronic Communications Framework in September 2016. We are working with the European institutions and the UK Government to contribute to the debate, to ensure that any new legislation is proportionate, reflects the challenges facing the sector and meets the needs of consumers now and in the future.</p>	Camilla Bustani	Expected adoption of proposals: Q1 2017/18
<p><b>The Audiovisual Media Services Directive:</b> proposals reviewing the AVMS Directive were published in May 2016. Our European engagement seeks to ensure that the regulatory framework continues to deliver the protection that audiences expect and to promote a vibrant European content market in the digital age.</p>	Jeremy Olivier	Expected adoption of proposals: Q4 2017/18
<p><b>Cross-border parcels:</b> we will comment on proposals for a Regulation to increase oversight of EU cross-border parcel delivery services and will work with the ERGP to establish the feasibility of the proposals.</p>	Vince Affleck	Expected adoption of proposals: Q3 2017/18
<p><b>Implementing the EU Connected Continent package:</b> work is underway to implement the two strands of the Telecoms Single Market Regulation.</p> <p>Net Neutrality guidelines have now been adopted and we are establishing a targeted and proportionate framework to monitor Internet Service Providers' compliance with the new obligations around data traffic management.</p> <p>We are contributing to new roaming rules through BEREC (the EU network of telecoms regulators) and engaging with EU institutions to ensure the right economic framework is in place to enable the removal of retail charges for intra-EU roaming.</p>	Siobhan Pointer, Brian Potterill, and Camilla Bustani	Net neutrality implementation throughout 2017; report to Commission due in June 2017; End of retail surcharging for EU roaming by end of Q1 2017
<p><b>Conducting our Wholesale Broadband Access market review:</b> the wholesale broadband access market relates to the wholesale broadband products that communications providers supply, provide for themselves, and sell to each other. These services are one of the building blocks of the retail broadband offers that consumers buy. A key decision for us is whether to further deregulate, or continue with ex ante regulation in this market.</p>	Caroline Longman	Publish statement: Q3 2017/18
<p><b>Conducting our Business Connectivity Market Review:</b> we will undertake a competition assessment of the market for leased lines in the UK.</p>	Keith Hatfield (interim)	Begin review of business connectivity markets: Q3 2017/18



<p><b>Conducting the mobile call termination (MCT) market review:</b> the MCT 2018 project will undertake a market review of mobile call termination in the UK with the aim to set new regulation, if required, by 31 March 2018, when the current charge control on mobile termination rates is set to expire. MCT is a wholesale service provided by mobile communications providers (MCP) 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 MCP a wholesale charge, called a 'mobile termination rate' (MTR). MTRs are set on a per-minute basis and are currently subject to regulation.</p>	Valeria Baiamonte	Publish consultation: Q2 2017/2018
<p><b>Conducting the narrowband market review:</b> the review will consider the products and services that underpin the delivery of retail fixed telephony services in the UK. We will conclude our review of the narrowband market in 2017/18. This review is broader in scope than our last review in 2013; it now includes three narrowband access markets (wholesale fixed analogue exchange lines, wholesale ISDN2 and wholesale ISDN30) as well as wholesale call origination, wholesale call termination and interconnect circuits.</p>	Louise Marriage	Publish statement: Q2 2017/18
<p><b>Monitoring pay TV:</b> we will continue to monitor any concerns in relation to access to pay TV content (including supply of premium sports content) and TV platforms, enabling us to intervene quickly if necessary</p>	Yih-Choung Teh	Ongoing
<p><b>Post cost modelling:</b> we propose to build a costing model to help develop our own view of how Royal Mail allocates costs in its delivery network.</p>	Chris Rowsell	Start project: Q1 2017/18
<p><b>Regulatory financial reporting review:</b> we intend to consult on proposals for amending the USP Accounting Condition and Regulatory Accounting Guidelines to ensure they remain fit for purpose and make some technical changes to the detailed workings of the margin squeeze control (part of the Universal Service Provider Access Condition).</p>	Chris Rowsell	Publish statement: Q1 2017/18
<p><b>Competition enforcement:</b> we will continue to enforce the regulatory conditions that we impose on communications providers which have a competition focus. We will also continue to assess complaints and determine disputes between providers of electronic communications networks and services and conduct investigations under competition law.</p>	Gaucho Rasmussen	Ongoing
<p><b>Small Scale Digital Audio Broadcasting (DAB):</b> we will develop plans for the implementation and licensing of small-scale DAB.</p>	Neil Stock/Peter Madry	Ongoing

<p><b>Reporting on the UK communications market:</b> we will continue to produce our regular suite of annual reports looking at the communications sector across the UK and in Northern Ireland, Wales and Scotland. The reports contain data and analysis on broadcast television and radio, fixed and mobile telephony, internet take-up and consumption, and post.</p>	Jane Rumble	Publish communications market report: Q2 2017/18
<p><b>Reporting on the international communications market:</b> we will continue to produce our regular annual report providing comparative international data on the communications sector. The aim of the report is to benchmark the UK communications sector against a range of comparator countries in order to assess how the UK is performing in an international context.</p>	Jane Rumble	Publish international communications market report: Q3 2017/18
<p><b>Review success of non-geographic numbering proposals:</b> In July 2015 the revised regulation of non-geographic numbers with revenue share and Freephone came into effect. We committed to review the success of these changes after 12 months of operation. We will be undertaking consumer market research and traffic analysis with a view to understanding how the changes have impacted on consumer behaviour and understanding. In the event that this analysis identifies any areas of concern we will consider whether further regulatory change is required.</p>	Markham Sivak	Ongoing

## Secure standards and improve quality

### Improving the coverage of fixed and mobile communications services to meet the needs of consumers and businesses across the UK

<p><b>Universal Service Obligation:</b> We will support any Government decision on broadband USO policy, including, if appropriate, making regulations for the designation of universal service providers, designating universal service providers as appropriate and establishing a funding mechanism.</p>	Ana Serodio	TBC (subject to Government decision)
<p><b>Improving mobile coverage:</b> We will develop policies to deliver improved mobile coverage both inside and outside premises. We will do this by ensuring existing coverage obligations are met, introducing targeted new obligations where appropriate and by considering spectrum options to support rail connectivity. Other measures include the development of new rules to allow the use of licence exempt mobile repeaters to help consumers improve coverage in the home.</p>	Charles Jenne	Publish consultation on new obligation in 700 MHz licences: Q2-Q4 2017/2018

<p><b>700 MHz Spectrum clearance:</b> we will continue to work to clear DTT and PMSE services from the 700 MHz band in order to release this spectrum for mobile data. As part of our work in this area we will continue to administer a grant scheme to fund incremental costs broadcasters incur as a result of the infrastructure changes associated with 700 MHz clearance. We will also work to develop a grant scheme to fund a proportion of the costs PMSE users incur as a result of loss of access to the 700 MHz band. Our current objective is to make the 700 MHz band available for mobile services by May 2020. We will review this target date in Summer 2017.</p>	Mark Caines/Graham Plumb	Publish formal review of timing of clearance: Q2 2017/18 (est.)
<p><b>700 MHz Spectrum award:</b> we will start work on preparing an auction for the 700 MHz band. Issues we will consider as part of this work include: the design of the auction; what form any coverage obligations we place in 700 MHz licences should take; and what, if any, measures we should take to ensure that the auction promotes competition in the mobile market. We anticipate holding the auction in late 2018 or 2019.</p>	Mark Caines/Graham Plumb	Ongoing

### Improving quality of service in fixed and mobile telecommunications services for consumers and businesses

<p><b>Wholesale landline and fixed broadband quality of service:</b> we will continue to monitor Openreach's quality of service in the fixed access market. Following the publication of the initial conclusions of our strategic review of Digital Communications, we plan to set and enforce more demanding quality targets for Openreach's network through the Wholesale Local Access market review. In addition to our work on the market review, we will consider how to encourage communications providers to share information and to pass this information onto consumers to improve outcomes.</p>	Ali Abbas-Ali	Publish statement: Q3 2017/18
<p><b>Introducing automatic compensation for consumers and micro-businesses:</b> we will introduce requirements for communications providers to automatically compensate consumers when things go wrong.</p>	Tanja Salem	Publish statement: Q3 2017/18

### Increasing the capacity of mobile networks by ensuring sufficient spectrum is available

<p><b>Awarding the 2.3 and 3.4 GHz spectrum bands:</b> we will proceed with an auction of the 2.3 and 3.4 GHz spectrum – released to Ofcom under the Government's Public Sector Spectrum Release programme.</p>	Erika Forsberg	Publish statement: Q1 2017/18
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## Securing quality in Public Service Broadcasting (PSB)

<p><b>Holding the BBC to account for performance:</b> we will consult on our approach to holding the BBC to account for delivering its mission and public purposes. This will include a draft operating licence regime as well as measures aimed at ensuring that the BBC's output is distinctive and represents and portrays people in the UK accurately and authentically.</p>	Jacquie Hughes	Operating licence in place Q2/Q2 2017/18
<p><b>Responding to Channel 4 Corporation's annual Statement of Media Content Policy:</b> we will publish an analysis of Channel 4 Corporation's delivery of its media content duties.</p>	Simon Terrington	Publish report: Q1 2017/18

## Ensuring that broadcasting represents and accurately portrays UK society

<p><b>Monitoring diversity and equality of opportunity in broadcasting:</b> We will publish a new annual monitoring report on 'Diversity in Broadcasting', based on equal opportunities data and information on diversity initiatives from broadcasters. This report will provide a comprehensive picture of how well each broadcaster – and the industry as a whole – is performing on staff diversity.</p>	Tony Close	Publish monitoring report: Q2 2017/18
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## Further projects to secure standards and improve quality

<p><b>Network security and resilience:</b> We are in the process of updating our guidelines on the full range of security requirements for network operators in the light of new technology trends and issues, particularly with regard to cyber security and associated risks. The guidance will set out our expectations for a risk-based approach to the management of security, highlight appropriate sources of industry best practice and detail our incident reporting requirements.</p>	Huw Saunders	We anticipate publishing revised guidance by the end of 2017
<p><b>Promoting accessibility of TV and On Demand Programme Services (ODPS):</b> including completing our consultation on accessibility of ODPS, implementing signing requirements for non-domestic channels, and working with industry to improve the quality of live subtitling.</p>	Tony Close	Ongoing
<p><b>Public Service Broadcasting Annual Report 2017:</b> This annual report summarises the evidence base for assessing delivery of the purposes of public service television broadcasting (PSB) by the public service broadcasters (PSBs) on the PSB channels.</p>	Jane Rumble	Publish report: Q2 2017/18

<p><b>Reporting on Public Service Compliance, Made out of London Programmes, and Access Services:</b> We will publish a number of reports on broadcasters' compliance with certain requirements. The annual Public Service Annual Compliance Report summarises the performance of the PSB channels on a range of quotas. The Made out of London Programmes Register documents the titles of programmes that PSBs have certified as "Made outside of London" and broadcast in 2016. Finally, the Television Access Services Reports set out broadcasters' compliance with the requirement to deliver a certain proportion of their programmes with subtitles, signing, and audio description.</p>	Jane Rumble	Publish reports:  Q2 and Q4 2017/18
<p><b>Reporting on adults' and children's media use and attitudes:</b> as part of our media literacy duties, we will publish reports providing data on adults' and children's media use and attitudes across TV, radio, games, mobile and the internet, with a particular focus on online use and attitudes.</p>	Alison Preston	Publish adult's report: Q1 2017/18  Publish children's report: Q3 2017/18
<p><b>News Consumption Report 2017:</b> This report will provide data on various news consumption measures, including the sources and platforms used, the use of local news, the perceived importance of different outlets for news, attitudes to individual news sources, the reasons people follow news, and news consumption in the nations.</p>	Alison Preston	Publish report: Q1 2017/2018
<p><b>Monitoring Openreach's copper and fibre access products' quality of service:</b> we will ensure that Openreach is meeting the minimum quality standards imposed by our 2014 Fixed Access Market Review Statement and our 2016 Business Connectivity Market Review Statement, and detect any other issues with the quality of Openreach's fixed access products.</p>	Gideon Senensieb	Ongoing
<p><b>Parcel surcharging:</b> Ofcom will continue to work with Citizens Advice Scotland and the General Consumer Council for Northern Ireland to better understand the causes and effects of surcharging for parcels in Northern Ireland and the Highlands and Islands of Scotland.</p>	Chris Rowsell	Ongoing
<p><b>Preparing to make sufficient spectrum available for 5G:</b> We will prepare to make sufficient spectrum available for new wireless technologies including 5G to facilitate the rapid rollout of 5G services so that the benefits of 5G services are delivered to citizens and consumers across the UK. We are also leading international discussions in CEPT and ITU to agree the future spectrum bands and standards for 5G and promoting early availability of a pioneer band for 5G in Europe. In addition, we will be preparing for the next World Radiocommunications Conference in 2019 where new spectrum bands for 5G are expected to be identified globally.</p>	Cristina Data	Publish consultation on pioneer spectrum bands for 5G (pending EU Member States approval of pioneer spectrum bands): Q1 2017/18

<b>Implementing the Radio Equipment Directive:</b> We will implement the Radio Equipment Directive, a new regime for placing radio products on the European market.	Martin Fenton	Implement by end of transition period: Q1 2017/2018
<b>Mobile Data Strategy:</b> we will continue to update our spectrum roadmap to support mobile data growth.	Cristina Data	Ongoing
<b>Supporting licence-exempt spectrum for wireless data growth:</b> we will continue to review spectrum requirements to support consumer demand for WiFi.	Cristina Data	Publish statement on 5.8 GHz Wi-Fi: Q1 2017/18
<b>Expanding mobile access in 3.6-3.8 GHz Proposal:</b> we will develop a proposal to expand mobile data/5G access in the 3.6-3.8 GHz band. This work will include preparation for awarding the band, subject to consultation.	Cristina Data	Q1-Q2 2017/18
<b>PMSE sharing in the band 960 to 1164 MHz:</b> following our decision to allow low power audio PMSE (Programme Making and Special Events) applications to operate in the 960 to 1164 MHz band we are now working on implementing this arrangement. Access to the spectrum can be authorised now, and we are integrating this into our online licensing system.	Helen Hearn	Ongoing

## Protect consumers from harm

### Protecting audiences from harmful content in TV, radio, and on-demand services

<b>Continuing to ensure that broadcast and on-demand content meets relevant standards:</b> this includes considering audience complaints and issues under the Broadcasting Code, and other relevant codes.	Tony Close	Ongoing
<b>Embedding our new duties for considering BBC complaints referred to Ofcom into our ongoing programme of work on content standards:</b> this year, for the first time, we will be responsible for ensuring the BBC meets the required content standards for impartiality and accuracy.	Tony Close	Ongoing

### Improving outcomes for landline only customers

<b>Improving outcomes for landline only customers:</b> We will consider appropriate responses to concerns about the narrowband retail landline only market. Any steps adopted will seek to ensure that landline only customers (many of who are vulnerable consumers) benefit from choice and value for money.	Markham Sivak	Publish statement: Q3 2017/18
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## Addressing nuisance calls

<p><b>Monitoring and blocking problematic call traffic:</b> We will work with UK communication providers to monitor and block problematic call traffic, under the memorandum of understanding agreed in November 2015, and with international partners on enforcement and caller line identification.</p>	Nihal Newman	Ongoing
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## Further projects to protect consumers from harm

<p><b>Responding to issues as they emerge:</b> as part of our ongoing programme of investigations, Ofcom will continue to respond to consumer issues as they emerge throughout the year.</p>	Lynn Parker	Ongoing
<p><b>Report on outcomes for vulnerable consumers:</b> We will publish an annual report on outcomes in communications markets for vulnerable consumers, including whether such consumers benefit from value for money and are able to access ADR schemes.</p>	Alan Pridmore	Publish report: Q4 2017/18
<p><b>Considering the watershed and other tools designed to protect children from inappropriate content:</b> We will consider whether it is appropriate to update rules in the Broadcasting Code relating to the protection of children. Specifically, we will examine whether it is appropriate to allow broadcasters to show content more suitable for adults before the watershed, provided that robust access controls, such as PIN protection, are in place. As part of this we will examine the effectiveness of these tools and their interaction with the watershed, alongside any potential benefits to broadcasters and audiences.</p>	Tony Close	Publish consultation: Q2/3 2017/18
<p><b>Reporting on audience attitudes towards broadcast media:</b> we will publish a report looking at audiences' attitudes towards content on TV and radio, including levels of perceived harm and offence.</p>	Jane Rumble	Publish report: Q1 2017/18
<p><b>Reviewing the General Conditions of Entitlement:</b> We are carrying out a review of the General Conditions of Entitlement, the regulatory conditions that all providers of electronic communications networks and services must comply with to operate in the UK. Our aim is to produce a coherent set of regulatory conditions which are clearer and more practical, easier to comply with and simpler to enforce.</p>	Robert Wells	Q1 2017/2018

<b>Conducting a review of Alternative Dispute Resolution Schemes:</b> we will undertake a review of the effectiveness of the Alternative Dispute Resolution (ADR) schemes approved by Ofcom under the Communications Act 2003 and ADR for Consumer Dispute Regulations 2015.	Alan Pridmore	Publish statement: Q3 2017/18
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## Annex 2

# Responding to this consultation

- A2.1 Ofcom invites written views and comments on the issues raised in this document, to be made by 5pm on 7<sup>th</sup> February 2017.
- A2.2 Ofcom strongly prefers to receive responses using the online web form at <https://www.ofcom.org.uk/consultations-and-statements/category-1/proposed-annual-plan-2017-18/> as this helps us to process the responses quickly and efficiently. We would also be grateful if you could assist us by completing a response cover sheet (see Annex 4), to indicate whether or not there are confidentiality issues. This response coversheet is incorporated into the online web form questionnaire.
- A2.3 For larger consultation responses - particularly those with supporting charts, tables or other data - please email [annualplan@ofcom.org.uk](mailto:annualplan@ofcom.org.uk) attaching your response in Microsoft Word format, together with a consultation response coversheet.
- A2.4 Responses may alternatively be posted to the address below, marked with the title of the consultation.
- Annual Plan Team  
Strategy, 3<sup>rd</sup> Floor  
Riverside House  
2A Southwark Bridge Road  
London  
SE1 9HA
- A2.5 Note that we do not need a hard copy in addition to an electronic version. Ofcom will acknowledge receipt of responses if they are submitted using the online web form but not otherwise.

## Further information

- A2.6 If you want to discuss the issues and questions raised in this consultation, or need advice on the appropriate form of response, please contact [annualplan@ofcom.org.uk](mailto:annualplan@ofcom.org.uk).

## Confidentiality

- A2.7 We believe it is important for everyone interested in an issue to see the views expressed by consultation respondents. We will therefore usually publish all responses on our website, [www.ofcom.org.uk](http://www.ofcom.org.uk). If you think your response should be kept confidential, please specify what part or whether all of your response should be kept confidential, and specify why. Please also place such parts in a separate annex.
- A2.8 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and will try to respect this. But sometimes we will need to publish all responses, including those that are marked as confidential, in order to meet legal obligations.

- A2.9 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's approach on intellectual property rights is explained further on its website at <http://www.ofcom.org.uk/terms-of-use/>

## Next steps

- A2.10 Following the end of the consultation period, Ofcom intends to publish a statement in March 2017.
- A2.11 Please note that you can register to receive free mail Updates alerting you to the publications of relevant Ofcom documents. For more details, please see: <http://www.ofcom.org.uk/email-updates/>

## Ofcom's consultation processes

- A2.12 Ofcom seeks to ensure that responding to a consultation is easy as possible. For more information, please see our consultation principles in Annex 3.
- A2.13 If you have any comments or suggestions on how Ofcom conducts its consultations, please call our consultation helpdesk on 020 7981 3003 or e-mail us at [consult@ofcom.org.uk](mailto:consult@ofcom.org.uk). We particularly welcome thoughts on how Ofcom could more effectively seek the views of those groups or individuals, such as small businesses or particular types of residential consumers, who are less likely to give their opinions through a formal consultation.
- A2.14 If you would like to discuss these issues or Ofcom's consultation processes more generally you can alternatively contact Steve Gettings, Secretary to the Corporation, who is Ofcom's consultation champion:

Steve Gettings  
Ofcom Riverside House  
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## Annex 3

# Ofcom's consultation principles

A3.1 Ofcom has published the following seven principles that it will follow for each public written consultation:

### Before the consultation

A3.2 Where possible, we will hold informal talks with people and organisations before announcing a big consultation to find out whether we are thinking in the right direction. If we do not have enough time to do this, we will hold an open meeting to explain our proposals shortly after announcing the consultation.

### During the consultation

A3.3 We will be clear about who we are consulting, why, on what questions and for how long.

A3.4 We will make the consultation document as short and simple as possible with a summary of no more than two pages. We will try to make it as easy as possible to give us a written response. If the consultation is complicated, we may provide a shortened Plain English Guide for smaller organisations or individuals who would otherwise not be able to spare the time to share their views.

A3.5 We will consult for up to 12 weeks depending on the potential impact of our proposals.

A3.6 A person within Ofcom will be in charge of making sure we follow our own guidelines and reach out to the largest number of people and organisations interested in the outcome of our decisions. Ofcom's 'Consultation Champion' will also be the main person to contact with views on the way we run our consultations.

A3.7 If we are not able to follow one of these principles, we will explain why.

### After the consultation

A3.8 We think it is important for everyone interested in an issue to see the views of others during a consultation. We would usually publish all the responses we have received on our website. In our statement, we will give reasons for our decisions and will give an account of how the views of those concerned helped shape those decisions.

## Annex 4

# Consultation response cover sheet

- A4.1 In the interests of transparency and good regulatory practice, we will publish all consultation responses in full on our website, [www.ofcom.org.uk](http://www.ofcom.org.uk).
- A4.2 We have produced a coversheet for responses (see below) and would be very grateful if you could send one with your response (this is incorporated into the online web form if you respond in this way). This will speed up our processing of responses, and help to maintain confidentiality where appropriate.
- A4.3 The quality of consultation can be enhanced by publishing responses before the consultation period closes. In particular, this can help those individuals and organisations with limited resources or familiarity with the issues to respond in a more informed way. Therefore, Ofcom would encourage respondents to complete their coversheet in a way that allows Ofcom to publish their responses upon receipt, rather than waiting until the consultation period has ended.
- A4.4 We strongly prefer to receive responses via the online web form which incorporates the coversheet. If you are responding via email or post, you can download an electronic copy of this coversheet in Word or RTF format from the 'Consultations' section of our website at <http://stakeholders.ofcom.org.uk/consultations/consultation-response-coversheet/>
- A4.5 Please put any parts of your response you consider should be kept confidential in a separate annex to your response and include your reasons why this part of your response should not be published. This can include information such as your personal background and experience. If you want your name, address, other contact details, or job title to remain confidential, please provide them in your cover sheet only, so that we don't have to edit your response.

## Cover sheet for response to Ofcom consultation

### BASIC DETAILS

Consultation title:

To (Ofcom contact):

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

### CONFIDENTIALITY

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

Nothing  Name/contact details/job title

Whole response  Organisation

Part of the response  If there is no separate annex, which parts?

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

### DECLARATION

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

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

Name

Signed (if hard copy)