

# 23/24

## Annual Report and Accounts

April 2023 to  
31 March 2024



# The Office of Communications Annual Report and Accounts 2023-2024

For the period 1 April 2023 to 31 March 2024

Presented to Parliament pursuant to Paragraphs 11 and 12 of Schedule 1 of the Office of Communications Act 2002.

Ordered by the House of Commons to be printed on 30 July 2024.

Laid before the Scottish Parliament by the Scottish Ministers.

Laid before the Welsh Parliament by the Welsh Ministers.

Laid before the Northern Ireland Assembly by Conor Murphy MLA, the Minister for the Economy in Northern Ireland.



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ISBN 978-1-5286-5044-1

E03151595 07/24

SG/2024/129

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of  
the Controller of His Majesty's Stationery Office

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# Chair's message

**Lord Grade, CBE**  
Chair



Good regulation aims to bring certainty to an uncertain world. In the communications sector, like every other, consumers want to know they can rely on safety, quality and fairness.

Over the last year, Ofcom has striven to uphold those values on behalf of the UK's 67 million people and six million businesses. The Board hopes that this report is helpful in explaining how.

Safety is the right of everyone. In 2023 we became the UK's online safety regulator, and one of the first in the world. Ofcom moved swiftly from preparation to implementation, setting out highly detailed draft measures within weeks of the Online Safety Act becoming law.

As these rules come into effect in the coming months, thousands of tech firms will have a duty to protect their users from harm – especially children – far more effectively.

Quality is something every customer expects. Take broadband, where a quiet revolution is happening under our feet, bringing reliable, ultrafast connections to millions more people. This year saw the fruits of Ofcom's 2021 review of this market: the UK now has the fastest roll-out of full-fibre broadband in Europe, and the second-highest subscriber growth.

Maintaining standards is an essential ingredient of quality. This year our enforcement team identified customer failings in post and telecoms, and responded with fines on Royal Mail and Shell Energy.

And fairness is equally important as a foundational value for British people. When they shop around for service, customers expect good value and transparent pricing, especially with household budgets so stretched. So, we've banned mid-contract hikes, linked to unpredictable inflation, in the cost of phone and broadband services.

**“Safety is the right of everyone. In 2023 we became the UK's online safety regulator, and one of the first in the world.”**

Our regulation is always based on the best available evidence and data, allowing us to target interventions where they matter most. This year, Ofcom's world-class research programme spanned issues as varied as why working-class audiences are less satisfied with the BBC, whether telecoms services remain affordable, and what cutting-edge technologies can make the online world safer.

Good regulation must also be accountable. For Ofcom, that takes many forms. Our work is scrutinised by elected representatives in each of the nations' capitals. This year we appeared at more than a dozen select committees, as well as all-party groups across the UK. Our decisions are regularly examined by courts and tribunals under a rigorous appeals process. And of course we make ourselves available to the public and industry through interviews, consultations, public events, our website and this report itself.

As Ofcom's Chair, I'm proud to lead a Board which also provides objective challenge and protects our independence, so our decisions remain free from party-political or commercial influence. The Board and I continue to hold those principles dear, as we support the leadership team in their crucial mission to make communications work for everyone.

# Chief Executive's report

**Dame Melanie Dawes, DCB**  
Chief Executive

From the phone in your pocket to the satellites that circle the Earth, Ofcom's work spans every dimension of modern communications.

Some of it is central to the lives of our youngest generation. Whether we're examining the role of algorithms in serving harmful content to children, or investigating TikTok over information about parental controls, our detailed work to create a safer life online for everyone is now well underway. This year's report explains what that means for people in the UK.

Communications is a global market too, so in online safety we formed close partnership groups with counterparts overseas. The same is true for spectrum, the invisible infrastructure that powers our wireless world. At the World Radio Conference 2023 in Dubai, Ofcom led the UK's delegation to coordinate airwaves for a range of important uses, from better mobile and Wi-Fi reception to satellites that forecast the weather and monitor climate change.

Some of our duties relate to more traditional, cherished institutions. The universal postal service remains an essential provision for many people. But as letter volumes fall, it risks becoming unsustainable in its current form.

So, this year we opened a national debate on the future of the post. We held events around the country to discuss potential reforms. And we researched how people use the post today, what they value and what their expectations are for the future.

As our postal work shows, Ofcom is a regulator that listens to people. This year we also spoke to TV viewers and listeners, examining their attitudes to violence and sexual content, expectations of streaming services, and whether politicians should be allowed to present programmes.

We also assessed around 10,000 pieces of TV and radio content, including almost 1,500 relating to the conflict in Israel and Gaza. Freedom of expression, balanced by the need for clear standards, remains at the heart of our judgements. Where we see problems, we continue to intervene – with two fines this year on channels broadcasting hate speech.

Where business models are struggling, we scope how the sector might evolve to keep meeting people's needs. And where the market might not deliver everything people need in future – from mobile coverage in isolated areas, to public service media in the digital age – we shape regulations to help bridge that gap.

**“As our postal work shows, Ofcom is a regulator that listens to people.”**

We do all this while encouraging competition, investment and innovation. These foundations have allowed the UK to build one of the most creative, dynamic and affordable communications sectors in the world. As technology, markets and consumer behaviour evolve, Ofcom stands ready to protect those benefits for years to come.



# Our powers and duties

## Ofcom's mission is to make communications work for everyone.

We regulate fixed-line and mobile telecoms, TV and radio broadcasting, video-on-demand and online services, post, and the radio spectrum used by wireless devices. We help UK businesses and individuals get the best from communications services and protect them from harmful treatment and practices. Where appropriate, we promote competition, investment and innovation as the basis for delivering good consumer outcomes. Ofcom regulates UK-established video sharing platforms and we have taken on additional responsibilities as the UK's online safety regulator under the Online Safety Bill. We are an independent public authority and accountable to Parliament for our public duties.

We are accountable to Parliament and through the Courts, and to perform our role effectively we need to engage openly and constructively with the UK and devolved Governments. We provide technical advice to governments (for example, our work regarding the implementation of a UK broadband universal service provider) and in some cases, we act as a formal representative of the UK Government (for example, in international negotiations on spectrum).



**Ofcom**  
Making communications work  
for everyone

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

Ofcom was established under the Office of Communications Act 2002 and operates under a number of Acts of Parliament. The Communications Act 2003 states that our principal duty in carrying out our functions 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; our competition powers are outlined later in this section.

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

Our main legal duties in carrying out our work include securing that:

- the UK has a wide range of electronic communications services;
- optimal use is made of the radio spectrum;
- a wide range of high-quality television and radio programmes are provided by different organisations, appealing to a variety of tastes and interests;
- people are protected from harmful or offensive material, unfair treatment and unwarranted invasion of privacy on television, radio and online;
- the BBC is held to account on its compliance with appropriate content standards, its performance against its Mission and Public Purposes, and the impact of its activities on fair and effective competition;
- the universal service obligation on postal services is secured in the UK; and
- digital infrastructure across the UK is strong, secure and resilient.



In October 2023, the new Online Safety Act came into force giving Ofcom responsibility to help make online services safer for the people who use them. It introduces a new duty for Ofcom to secure the adequate protection of users from harm caused by content on regulated services. This will require providers to design appropriate systems and processes to reduce the risk of such harm.

Ofcom can enforce consumer law on behalf of consumers but does not have the power to resolve individual consumer complaints about telecoms, postal services or online safety, 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.

### Ofcom’s competition law powers

In addition to our regulatory responsibilities set out above, we have powers in relation to communications matters to:

- enforce the prohibitions on anti-competitive agreements and abuse of a dominant position, set out in the Competition Act 1998; and
- investigate markets and make references under the Enterprise Act 2002 to the Competition and Markets Authority (CMA).

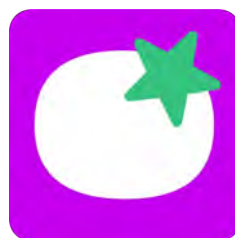
We consider whether it is more appropriate to exercise competition or sectoral powers in any given case, subject to the specific legislative requirements.

### Our values

In order to make communications work for everyone we: promote choice; secure standards; and prevent harm.

Excellence, collaboration, empowerment, agility and respect are the words that best explain how we work and the way we do things at Ofcom.

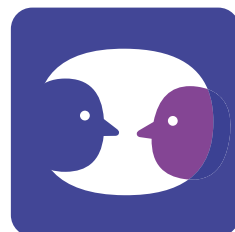
Our values shape how we treat one another, how we work together, how we relate to our stakeholders, how we judge performance and how we collaborate to achieve our priorities. Our values are central to our effectiveness and they support the organisation we want to be.



Excellence



Agility



Collaboration



Respect



Empowerment

Making communications work for everyone

# Supporting 20 years of communications excellence



Communication makes our world go round – and at Ofcom we’ve been making sure nothing gets in the way of that for 20 years.

Since our inception in 2003, the dynamic world of communications has meant there has been a lot of change to navigate for an authority like us. From broadband to mobile services and live broadcasting to streaming, the rate of evolution means regulation is a constant journey, with many twists and turns in the road.

We’re passionate about keeping ahead of the changes to make sure that communications continue to work for everyone for the next 20 years and beyond.

Our 2023/24 Annual Report and Accounts show the impact of our work over the past year, and we’re excited to navigate what’s coming next.



# PERFORMANCE REPORT

This section sets out how we have performed against the objectives set out in our Plan of Work. We look at the impact of our work on behalf of people and businesses in the UK.

SECTION

**A**

# Highlights for 2023/24

## A safer life online



### A new regime

We formally took on our role as the regulator for online safety, and swiftly set out plans to tackle illegal harmful content and protect children when they're online.

### Regulating VSPs

People who use video-sharing platforms will be better protected, thanks to our research into the platforms and our engagement with providers.

### Working together

A global challenge needs a global solution. We have continued to work with counterparts around the world to get the best results from our combined efforts.

## Internet we can rely on



### Better deals for customers

Telecoms customers will find it easier to manage their costs, thanks to our proposed ban on inflation-linked mid-contract price rises and new rules requiring providers to make contracts clearer.

### A market fit for the future

Customers will benefit from continued investment and competition in telecoms, after we launched our next major review of the market.

### Reviewing digital markets

Our market study of cloud services in the UK, and review of net neutrality, identified improvements that will bring about better outcomes for consumers.

## Securing postal services



### Post, present and future

Our review of the universal postal service, and proposals for its future, aim to make sure it continues to serve its users while ensuring its sustainability.

### Monitoring Royal Mail

Our findings that Royal Mail had missed its delivery targets for First and Second-class services led to us imposing a significant fine.

### Affordability for users

Customers can continue to use the postal service at affordable prices after we maintained a price cap on Second Class stamps.

## Enabling wireless services in the wider economy



### Airwaves for the future

We set out plans to make more spectrum available, which will result in more people being able to use the connections and technology we rely on every day.

### Space spectrum strategy

Our space strategy has helped to improve broadband and mobile connections, as well as bringing about benefits in broadcast TV, emergency communications and climate monitoring.

### Working internationally

Our continued work with international counterparts has been vital in ensuring the UK is well represented in global decisions and discussions on spectrum.

## Media we trust and value



### Supporting public service media

The Government's Media Act proposes changes to the media landscape that will benefit audiences and broadcasters. Published this year, our roadmap sets out how we'll implement these changes.

### Looking ahead at TV's future

We've looked at how TV consumption is changing. Our findings and recommendations will help broadcasters to handle developments in technology and audience behaviour.

### Regulating the BBC

Our reviews of the BBC will help to make sure it serves its audiences – including improvements for audiences who feel its output doesn't currently meet their needs.

## Serving and protecting audiences



### Protecting audiences

Broadcasters' freedom of expression is important, and so is the protection of viewers. We assessed tens of thousands of complaints from people about things they saw or heard on TV and radio, as well as continuing our research into viewers' attitudes to content that some people might find offensive or upsetting.

### Accessibility for all

Our guidance and report on access services and EPGs will help people who are deaf, have hearing loss, are blind or partially sighted, to be able to access and enjoy TV that is available to everybody.

### Regulating advertising

We reviewed advertising rules at a time of commercial challenge for broadcasters, and also continued our preparations for the introduction of tighter rules for advertising less healthy food and drink products.

# Progress on delivering our Plan of Work

**This section sets out what we have done during the year in our priority areas, and the impact for people and businesses.**

Every March, we publish our Plan of Work. This sets out what we intend to deliver over the coming financial year, to make communications work for everyone across the UK and its nations.

The work areas set for 2023/24 considered what was happening in the communications market and the evolving needs of people and businesses, against the backdrop of dynamic sectors which continue to invest and innovate, as well as high levels of inflation. Our plan recognised the increasing reliance on the UK's communications networks for the way we live, work, shop and use public services.

We consult on our plan every year to make sure it reflects the feedback we receive from interested parties as well as fulfilling our duties. The Plan of Work also includes our work programme, which explains the key activities for the year.



**A safer life online**



**Internet we can rely on**



**Securing postal services**



**Powering and protecting the UK's airwaves**

**Serving and protecting audiences**



**Media we trust and value**

**Note to the reader:** This Annual Report covers the period 1 April 2023 to 31 March 2024. Throughout the text, "this year" refers to that financial year. Similarly, unless where indicated, months refer to the relevant month within the financial year. For example, "August" means August 2023, "January" means January 2024.

# A safer life online

**Ofcom has begun work to make the online world safer for everyone. After becoming the UK's online safety regulator in October, we quickly unveiled detailed plans requiring tech firms to protect their users from illegal content – and to protect children from harmful content including pornography.**

## What we did – in brief

- Within weeks of the Online Safety Act coming into law we set out detailed regulations requiring tech firms to use a range of measures to protect users from illegal content such as child sexual abuse material, grooming and fraud.
- We launched a further consultation requiring online pornography services to stop children accessing their content.
- We have worked with online services to ensure the effectiveness of the user tools they have in place for improving safety, especially for children.
- As Ofcom consults on detailed measures, change is happening. We have already secured new safety measures from several pornography services, and Meta is making changes to Facebook and Instagram that we proposed to protect children from grooming.

## Why this matters

- Making the online world safer is a priority for the UK government, society and Ofcom. Our research shows most online adults and children have harmful experiences online, and most support tighter rules. Ofcom's consultations over the last year will form the basis of online safety regulation in the UK.
- Children are our first priority. Sites and apps that display or publish pornography must make sure children are not normally able to encounter it on their service. They must introduce age checks that are accurate, robust, reliable and fair, and which are highly effective at determining whether a user is a child.



# Our work this year



## Supporting the birth of the Online Safety Act

October saw the passing of the Online Safety Act, landmark legislation designed to make the internet safer for everyone. The Act made Ofcom the online safety regulator. This important new role does not involve us making decisions about individual videos, posts, messages or accounts, or responding to individual complaints. Instead, our job is to force firms to tackle the causes of online harm by making their services fundamentally safer.

As the Online Safety Bill passed through Parliament, we engaged with MPs and peers, developing our own Online Safety Roadmap to communicate our priorities and timings for implementing the new laws.

Our preparations were reviewed by the [National Audit Office](#) and the [Public Accounts Committee](#). Both concluded that whilst there was still a lot of work to do, Ofcom had made a good start to our preparations and had taken the steps we could reasonably have completed by this point.

We also engaged with the Department for Science, Industry and Technology (DSIT) so that Ofcom's knowledge and experience could be factored into the policy development process and government decision-making.

## Getting to work: tackling illegal harm

In November, just two weeks after the Bill passed into law as the Online Safety Act, we launched a major consultation on illegal harm online. We laid out [detailed proposals](#) requiring tech firms to use a range of measures to protect their users from illegal content online – from child sexual abuse material and grooming to fraud, as well as other forms of illegal content. Social media, gaming, pornography, search and sharing sites can fulfil their new duties under the Act by following Codes of Practice, which we published in draft.

Example measures in our draft Codes include requiring larger and higher-risk online services to ensure that children's default settings do not expose them to unsolicited friend requests, or direct messages from people outside their connection list. Our draft Codes also recommend that certain services should also use a technology called 'hash matching' to help detect and remove child sexual abuse material.

The Act requires all in-scope services to assess the risk of harm to their users. So, also in November, we issued guidance on how they can first gauge users' risks of encountering harmful illegal content on their platforms, and then take appropriate steps to protect them.



## Protecting children from pornography

Under the Act, sites and apps that publish and display pornographic content must ensure that children are not normally able to encounter it on their services by using highly effective age assurance. This is a priority area of work for Ofcom, as our research shows that children first see online pornography at an average age of 13 – and nearly a quarter come across it by age 11.

So, in December, we followed up our illegal harms consultation with detailed draft guidance for pornography services on how they can comply with their duties. The draft guidance proposes that age checks should be technically accurate, robust, reliable and fair. We also made clear that, as well as protecting children, services must safeguard the right of adults to privacy, and their ability to access legal pornography. We expect to confirm our final guidance in this area in 2025.

Ofcom is required to consult on all these measures. But we are not waiting to conclude these major programmes of work to achieve results – change is already happening. For example, we have secured new safety measures from several pornography services under our VSP programme, and Meta is making important changes to Facebook and Instagram that we proposed to protect children from grooming.



## Video-sharing platforms

Ofcom has regulated UK-based video-sharing platforms (VSPs) – such as Snapchat and TikTok – since 2020. Over the past year, we have been bringing about change from these companies in important areas like user policies, moderation, age assurance, and user tools.

In August, we **shone new light** on the accessibility of the terms and conditions of six popular VSPs. We found these require time and advanced reading skills to understand, making them unsuitable for users such as children. Some VSPs were not clear enough about what content is allowed, while content moderators didn't always have the guidance and training needed to enforce the rules. We will follow up in 2024 to make sure VSPs are working to improve their terms and conditions.

We have continued our **enforcement programme** to assess and improve age assurance measures on adult VSPs. As a direct result of this programme, between November 2023 and March 2024 a number of adult services introduced age verification. We also opened an **investigation** into online adult video service MintStars in February 2024 for failing to protect children from pornographic content.

Our **Child Safety Report** in December found that non-adult VSPs use a range of methods to enforce minimum age restrictions on their services, but their effectiveness has not been assessed. We have also focused on international engagement, in particular with our regulator counterparts in an International Working Group on Age Assurance.

Following our work on the tools being made available to users, OnlyFans, which is the largest UK-based service hosting pornographic content, expanded its reporting categories to make it easier for users to report child sexual abuse material on the platform.

In the course of our work, Ofcom has issued a number of demands for information from VSPs in scope of the regime. This allows Ofcom to promote transparency about the measures services take to protect their users and bring about improvements. In December, we launched an **investigation** into TikTok's compliance with its duties to provide such information. We will announce our findings later in 2024.

## A data-led approach to online regulation

Throughout the year, Ofcom continued to build its capabilities and expertise in data engineering, science and analytics. We developed infrastructure, tools and processes to place data at the heart of our online safety regulation.

One example is Recommender Systems – automated tools that serve specific content to users. They accomplish this by analysing data, which might include information about users and the content they have previously viewed. Ofcom’s Data and Innovation hub led specific work, as part of our illegal harms consultation, to examine how these features might be made safer for users.

Another field with growing consumer impact is generative artificial intelligence (AI). We have started working with companies who are developing and deploying these tools, to examine the risks and benefits in keeping users safe.

## Partnering with other regulators

We continued to work closely with partner regulators as part of the Digital Regulation Cooperation Forum (DRCF). The forum brings together four UK regulators to deliver a coherent approach to digital regulation for the benefit of people and businesses online. Its members are the Competition and Markets Authority, the Financial Conduct Authority, the Information Commissioner’s Office, and Ofcom.

For the past year, the DRCF’s three priorities were coherence between regimes, collaboration on cross-cutting issues, and capability-building between regulators. The forum stepped up joint work on AI governance and announced plans to pilot a new multi-regulator service, the ‘DRCF AI and Digital Hub’, that will provide informal advice to innovators. It also collaborated on advertising technology and safety technology – such as online choice architecture and cookies, age assurance and content moderation. And it established the International Network for Digital Regulation Cooperation, to foster international discussions on regulatory coherence. Further detail on all this work is available in the DRCF’s own [annual report](#).

Ofcom has also joined forces with international regulators to enhance global efforts to make the online world a safer place. The Global Online Safety Regulators Network (GOSRN) is a forum dedicated to supporting collaboration between online safety regulators, sending a strong message about our shared commitment to online safety regulation. Further details on how we collaborate with international organisations can be found in the stakeholder engagement section, on pages 41-42.

## Embedding tech expertise

Ofcom has been building its technical expertise in online safety for several years, and that continued in 2023/24. Our horizon-scanning programme produced 20 internal technical papers on critical issues in current and emerging technologies.

We also created the Online Safety Technology Lab – an in-house facility dedicated to investigating, testing and evaluating different technical approaches to online trust and safety. We built strong links with the academic sector to influence the direction of future research towards the biggest technological challenges in online safety – such as AI, privacy and harm reduction.

## Freedom of information and privacy

As a public authority, Ofcom must act in a way which is compatible with the European Convention on Human Rights (ECHR). In exercising our functions under the Online Safety Act 2023, we have sought to ensure, in particular, that we act in a way that is consistent with Article 10 of the ECHR, which upholds the right to freedom of expression, and Article 8 of the ECHR, which protects the right to respect for private and family life. Both are qualified rights, and any restrictions must be clearly set out in law, pursue a legitimate aim and be necessary in a democratic society.

In the last reporting period, we published two consultations: protecting people from illegal harms online and guidance for service providers publishing pornographic content. In producing these consultations, we carefully considered the potential impact of our proposals on human rights to ensure that any interference with those rights was proportionate to the legitimate aims of the proposals. For example, in our Illegal Harms consultation we set out human rights impacts assessments which explained our approach to analysis the potential degree of interference that may arise in relation to the proposed measures in the draft Codes of Practice, and why we considered that any such interference would be no more than needed to achieve the anticipated benefits. In doing so, we considered the importance of protecting the right of users to freedom of expression within the law and protecting the privacy of users in particular, and appropriate safeguards have been incorporated into the draft Codes of Practice for that purpose. We also liaised with the Information Commissioner’s Office in respect of our proposals that affected privacy rights. Our human rights impact assessments are set out in full in our consultations published on our website<sup>1</sup>.

<sup>1</sup> <https://www.ofcom.org.uk/consultations-and-statements/category-1/protecting-people-from-illegal-content-online> and <https://www.ofcom.org.uk/consultations-and-statements/category-1/guidance-service-providers-pornographic-content>

# Internet we can rely on

Most people today depend on reliable, affordable broadband. This is how we live, shop, work, play and connect. Ofcom's job is to make sure everyone can enjoy the benefits of fast, secure networks that also power the UK's digital economy.

## What we did – in brief

- Keeping telecoms services affordable has always been a focus for Ofcom, and it is especially important when household budgets remain under pressure. This year we proposed to ban telecoms contracts that rise each year by inflation. Future price rises would be set out in pounds and pence, so people can be certain about their bills.
- We maintained pressure on providers to make social tariffs available and customers aware of them. Take-up of these discounted deals continues to increase, although millions more eligible people could benefit.
- Access to better, more reliable broadband services continues to increase rapidly, under the market rules we established in 2021. Ultrafast, full-fibre internet is now available to around 60% of homes, while gigabit capable networks stretch to nearly 80% of premises.
- We are using powers introduced by the Telecommunications (Security) Act 2021 to ensure that phone and broadband firms prioritise the security of their public networks and services. They must be strong, safe and resilient to cyberattacks and outages.

## Why this matters

- Our research shows that people are accessing an ever-growing range of online services across communications, gaming, healthcare, banking, remote working, e-commerce, video-on-demand, news, access to public services and more.
- Consumers need confidence that the market is working in the way it should. They should have access to affordable deals and understand what they can expect to pay over the lifetime of a new contract. People on inflation-linked price increases saw their bills increase by between 14% and 17% in spring 2023, which could amount to hundreds of pounds a year for a family with broadband and several mobile contracts. In future, contracts that include price rises will need to set those out clearly to customers in pounds and pence.
- The UK is getting better broadband. Gigabit-capable networks are around 30 times faster – and significantly more reliable – than the legacy copper lines they are replacing.

Ultrafast, full-fibre internet  
is now available to around

**60%**  
of homes

while gigabit-capable  
networks stretch to  
nearly 80% of premises.



# Our work this year

## Clearer deals for phone and broadband

The UK benefits from competitive phone and broadband services, where no one operator has a dominant share of the retail market – and this helps keep prices down. Although some bills have gone up this year, over the last five years average prices for broadband and mobile services in the UK have actually fallen in real terms. At the same time, companies have been investing in upgrading their networks, while data consumption and average speeds have both increased.

Clarity of pricing is important too, if competition is to work and customers are able to shop around with confidence. Ofcom was concerned that providers have imposed annual price rises linked to unpredictable future inflation – plus an additional margin, typically 3.9%.

These contractual terms, which had become widespread, could cause substantial harm by undermining people's understanding of what they would pay over a period. They could complicate the process of shopping for a deal, limit consumer engagement and make competition less effective.

So, in December, we proposed a ban on price rises linked to future inflation. We set out new rules requiring that any price rise written into a customer's contract must be set out in pounds and pence, prominently and transparently, at the point of sale. That includes being clear about when any changes to prices will occur. We have published our final rules on this, giving phone and broadband firms a short period to implement any required changes.

Separately, we introduced new guidance to make sure providers give customers clear information on the underlying technology supporting the service they sign up to – distinguishing between cable, copper, full-fibre and part-fibre connections, which perform differently on measures such as speed and reliability. The new guidance will apply from September 2024.

We know from our research that around two in five customers can be put off switching provider if the process involves too much time or hassle. So, we are continuing to push companies to implement a 'One Touch Switch' (OTS) process. Under OTS, for the first time, customers moving between different networks or technologies can have their switch managed entirely by their new provider. After some delays, the industry announced a revised go-live date for OTS of 12 September 2024, which will make broadband switching quicker, easier and more reliable.



**Clarity of pricing is important too, if competition is to work and customers are able to shop around with confidence.**

## Cheaper broadband for eligible homes

As well as being transparent, prices should be affordable – including for people on low incomes. Our research found that millions were missing out on broadband ‘social tariffs’ – special discounted connections for homes in receipt of certain benefits. These deals are available for as little as £12 a month, and offer typical savings of around £200 per year. Crucially, the price does not rise mid-contract, meaning the cost is effectively frozen. But some providers are still not doing enough to offer or advertise this support.

Just over half (55%) of eligible households remain unaware of social tariffs, and while take-up is improving – up from 5% a year ago – overall it remains low as a proportion of all eligible households (8.3%). For the first time this year, we published take-up figures for each of the largest providers of broadband social tariffs. BT has the largest share of broadband customers taking a social tariff (72%), followed by Sky (13%), Virgin Media (6%), Vodafone (4%).

We are maintaining pressure on telecoms firms to promote social tariffs more widely. We also continue to work with government and consumer organisations to make sure more eligible households are aware of the help they can receive. Our website and social media channels provide advice and tips to help anyone struggling to pay their bills.

More broadly, we continue to monitor and report on the affordability of communications services. Our latest Pricing Trends Report – covering broadband, landline, mobile and pay TV – found that there are still good deals to be found for those who shop around. There remains choice in the market, and many customers nearing the end of their contract – or already out of one – can save money by moving to a new provider or negotiating a new deal with their current one.

## Faster, more reliable networks

Britain’s broadband landscape is undergoing a quiet revolution. Following the new framework for regulation that Ofcom implemented in 2021, data from the FTTH Council Europe shows the UK now has the fastest roll-out of ultrafast, full-fibre broadband across Europe (EU27 + UK) – and subscriber growth second only to France.

Ofcom’s figures show that 62% of UK premises (18.7m) could access full fibre, up from 50% a year ago. In April 2024, 80% of homes (24.0m) could access gigabit-capable broadband, compared to 70% (20.8m) in 2022.

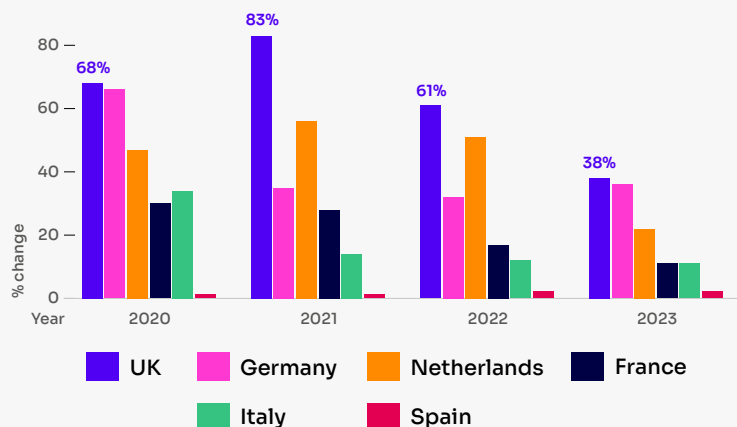
We expect those numbers to keep rising. If companies implement their plans for network deployment, full fibre coverage could reach 91% of premises by 2026, and gigabit-capable coverage up to 94%. If smaller providers deliver fully on their plans, 41% of UK properties will be able to access gigabit-capable broadband services from three or more providers by May 2026. We recognise smaller firms’ plans, in particular, are likely to change in response to other operators’ roll-out and wider market conditions, including a more challenging macroeconomic environment.

Given this backdrop, we have begun work on our next major telecoms market review, due to be completed by March 2026. We will continue with the same underlying objectives of incentivising investment and promoting sustainable network competition for the benefit of consumers. We also want to keep promoting efficient commercial deployments to further extend coverage in the remaining, harder-to-reach areas.

A powerful player in the broadband market is Openreach, the arm of BT whose network is used by other retailers such as Sky and TalkTalk. Openreach must serve all these companies equally, so Ofcom’s Openreach Monitoring Unit monitors and holds it to account. The OMU remains vigilant in ensuring Openreach complies with our rules, and is ready to take action so competition can play out fairly.

As new networks become more common, the industry is progressing with plans to move landline phone calls from the ageing public switched telephone network (PSTN) to voice over IP (VoIP) technology, which uses a broadband connection to connect phone calls. The transition must be handled carefully, particularly for vulnerable customers, including making sure customers have at least one method of contacting emergency services in the event of a power cut. This year we continued to examine the process, working with providers to make sure they are planning effectively and prioritising customers’ needs.

Figure 1: fibre rollout



Source: FTTH-B Market Panorama Update 2023

## Competition and quality in digital markets

### Making sure cloud services are competitive

Cloud computing uses data centres around the world to provide businesses with remote access to services such as software, storage and networking. This market has become critical for many firms across the UK economy – including telecoms companies, broadcasters and public sector organisations – transforming the way they deliver services on which we all rely.

This year we completed a market study into the supply of cloud services in the UK, exploring if these markets were working well. Our final report in October found that, while there were some positive signs of competition, there are also problems.

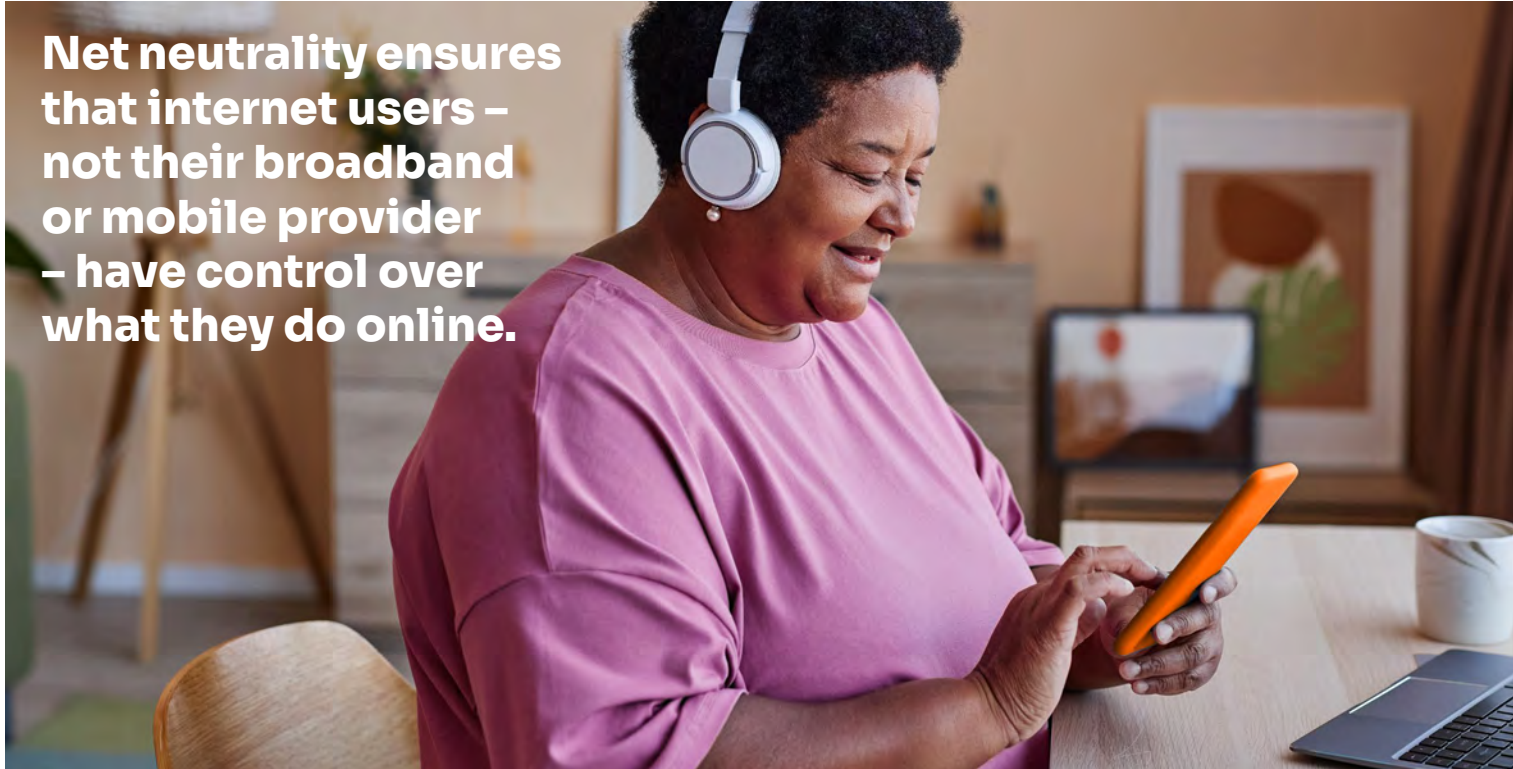
We identified features of the market that we think have an adverse effect on competition and could result in harm to business customers, and ultimately UK consumers. We referred the market to the Competition and Markets Authority (CMA), which is now conducting a detailed market investigation.

### Net neutrality

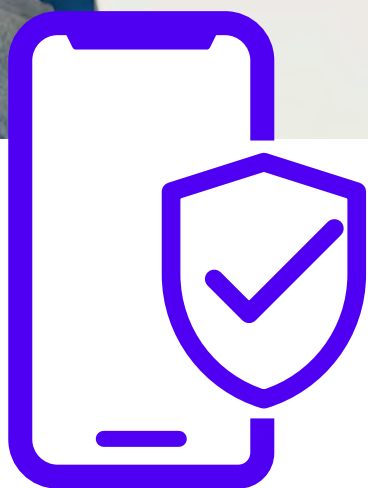
Net neutrality ensures that internet users – not their broadband or mobile provider – have control over what they do online. It has played a central role in allowing people to access the content they want, and online businesses to reach customers online.

Following a review of this area, we revised our guidance on how rules should apply in the UK. While net neutrality remains important to support consumer choice, we have provided more clarity in our guidance so that broadband and mobile providers can offer premium-quality retail broadband or mobile packages, develop new specialised services, use traffic management measures, and offer unlimited data use for certain services in most circumstances.

We also produced guidance to make sure broadband and mobile providers can protect their customers and deliver public benefits by prioritising emergency services, offering parental controls and preventing access to scams and other harmful content. These changes increase flexibility, helping to support innovation and investment by content providers – as well as broadband and mobile companies.

A photograph of a woman with short dark hair, wearing a pink long-sleeved shirt and large white headphones. She is sitting at a wooden desk, looking down at a bright orange tablet computer she is holding with both hands. In the background, there is a laptop, a white mug, and a framed picture on the wall. The scene is set in a well-lit, modern home office or living area.

**Net neutrality ensures that internet users – not their broadband or mobile provider – have control over what they do online.**



**We published updated guidance for the Network and Information Systems Regulations and lowered our incident-reporting thresholds.**

## Telecoms security and resilience

The Telecommunications (Security) Act 2021 included new duties for Ofcom to make sure the UK's telecoms networks and services are safe and secure.

We started gathering information from communications providers on their compliance with the new duties, with reference to guidance set out in the Government code of practice, and we will submit a report to the Secretary of State later in 2024.

We continue to make sure operators of essential services manage security risks appropriately and monitor their threat intelligence-led penetration testing, known as TBEST. We published updated guidance for the Network and Information Systems Regulations and lowered our incident reporting thresholds. We also provided general guidance about which security compromises we would normally expect providers to report to Ofcom, and the process for reporting them.

We continue to promote improved network resilience, including considering how duties which apply to traditional telecoms networks extend to newer, virtualised networks that are rapidly being adopted. We consulted on updating our existing resilience guidance set in October 2022, including new provisions on power backup for mobile radio access networks (RAN).

## Diversifying telecoms

After it identified the presence of high-risk vendors in the supply chain for 5G mobile, the UK Government laid out plans in 2020 to increase the number of manufacturers. The goal was to ensure a competitive, innovative, secure and resilient supply market.

In June 2023, the Secretary of State asked Ofcom to report on progress made by the providers to remove high-risk vendors from their networks. We issued three reports to the Secretary of State in October, January and March.

We continued to support the UKTL (UK Telecoms Lab) programme set up to support the Government's objectives. We also progressed our SONIC Labs (SmartRAN Open Network Interoperability Centre) initiative, which provides a commercially neutral environment for new vendors to test how their Open RAN (Radio Access Network) products can operate and integrate with the existing networks.

Ofcom's figures show that

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year ago.





# Securing postal services

Postal services remain a vital communication method for many people and businesses, but the way people use postal services is changing. Ofcom oversees the universal postal service, making sure it meets users' needs while also considering its financial sustainability and efficiency.

## What we did – in brief

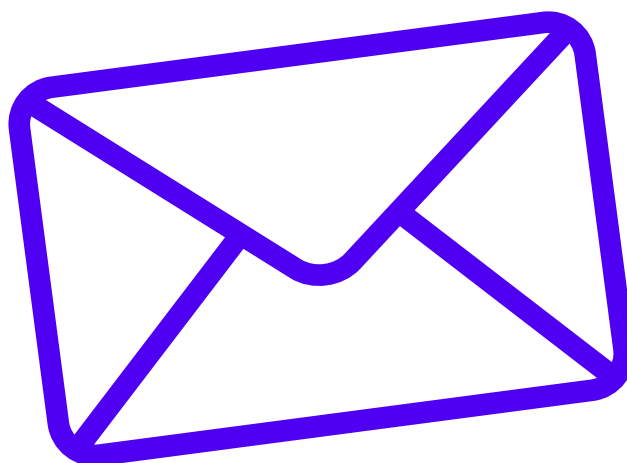
- We have opened a national debate on the future of the UK's postal service, inviting views on a range of options for redesigning the universal postal service in order to secure its future, while ensuring it reflects the way people use it.
- As part of this process, we have held events to discuss the evidence behind the need for change and the potential options, bringing together a range of people and organisations with different perspectives.
- We conducted research on how people use the service today, what they value most within the current specification and what their expectations are in future.
- We concluded a review on whether stamp prices should continue to be capped, retaining a safeguard on the cost of Second-Class letters.
- We fined Royal Mail £5.6m after it failed to meet its delivery target obligations for 2022/23.
- We enhanced our monitoring of the postal markets to include the impact of new guidance and obligations in the parcels market on the handling of complaints, and treatment of disabled customers – as well as more detailed monitoring of Royal Mail's efficiency progress and the overall sustainability of the universal postal service.

## Why this matters

- For many people, especially the elderly and less mobile, post is a valued tool to connect with the outside world and maintain contact with their friends and families. For many, Royal Mail postal workers are considered a regular, familiar visitor.
- Eight in 10 people say some things will always need to be sent by post. And three quarters of those who use postal services say they rely on the post for letters.
- However, the specification of the universal postal service has not changed since 2011. In the meantime, letter volumes have halved, and parcel deliveries have become increasingly important. The significant cost to Royal Mail of delivering the universal service means there is an increasing risk it will become financially and operationally unsustainable in the long term.
- Alongside looking to the future, we want to make sure services remain affordable today. Our cap on the cost of Second-Class letters makes sure of this.

# 8/10

**Eight in 10 people say some things will always need to be sent by post.**



# Our work this year

## Future of the universal postal service

Our research reveals just how important a reliable postal service is to people who send and receive letters and parcels.

Under the universal postal service, Royal Mail must deliver letters six days a week – and parcels five days a week – to every address in the UK, at a uniform price. Ofcom’s job is to secure that service, which means balancing the needs of postal users and where viable providing Royal Mail to compete effectively in the market.

Royal Mail’s obligations have not changed since 2011, and the universal postal service risks becoming unsustainable as people send fewer letters and receive more parcels. Reform is necessary to secure its long-term future.

In January we presented evidence on the need for change, inviting views on a range of options for redesigning the universal postal service. We also recognised that, regardless of any reform, Royal Mail must modernise its network, become more efficient and improve its service levels.

## We identified two primary options:

1. Making changes to existing First and Second Class and business products, so that most letters are delivered through a service taking up to three days (or longer for some business services), with a next-day service still available for urgent letters.
2. Reducing the number of letter delivery days from six to five or three. This would require Government and Parliament to change legislation.

We estimate that Royal Mail could achieve significant cost savings under either, or a combination, of these options. What is clear is that downgrading delivery targets and reliability is not an option for reform. In fact, it will be important to consider whether additional safeguards are necessary to make sure people’s needs are fully met.

Fewer delivery days could still meet most postal users’ needs, according to what they have told us. Nine in 10 people (88%) say reliability is important for letter deliveries, compared to 58% for delivery on Saturdays (down from 63% in 2020).

Most participants in our research were also open to reducing some services and standards – particularly for letters – in the interests of keeping prices down and only paying for what was required. Similarly, there was strong acknowledgement that most letters are not urgent, but people still needed to have a faster service available for the occasional urgent items, even if that meant paying a premium.



The UK is far from alone in needing to respond to these challenges. Across Europe and more widely, universal postal service obligations have been, or are being, reformed. Other countries have reduced the frequency of delivery or extended delivery times for letters – including Sweden in 2018, Belgium twice since 2020, and Norway and Denmark twice each since 2016.

Since publishing our discussion document in January, we have hosted events across each of the UK's nations to discuss the evidence and options. We will continue our external engagement across a range of people and organisations, looking to get a broad range of different perspectives and further potential options for reform. After carefully considering the opinions and feedback, we plan to provide an update in summer 2024.

While the path to reform is being mapped out, our ongoing monitoring will act as an early warning system on any issues across the efficiency, quality of service and financial performance of the universal postal service. We produce annual monitoring reports on the postal sector, the last of which was published in December.

## Monitoring Royal Mail's performance

Also this year, we concluded an investigation into Royal Mail's failure to meet its First and Second Class delivery targets during 2022/23. Even after adjusting Royal Mail's performance for the impact of industrial action, extreme weather and the Stansted runway closure, its delivery performance fell significantly below targets. This caused considerable harm to customers, with insufficient steps taken by the company to prevent the failure. We imposed a fine of £5.6 million on Royal Mail, which included a 30% reduction as the company admitted liability and co-operated fully with our investigation.

## Affordability for postal users

As people struggle generally with household costs, we concluded work to make sure the universal service remains affordable. Royal Mail is the only national door-to-door deliverer of letters in the UK, which means we cannot rely on competition to ensure prices remain affordable. So, we retained a safeguard cap on second-class letters. On average, for the next three years, these prices can rise by no more than inflation (CPI) from today's prices.



Our ongoing monitoring will act as an early warning system on any issues across the **efficiency, quality of service and financial performance** of the universal postal service.

# Powering and protecting the UK's airwaves

**We manage the UK's radio spectrum for the benefit of everyone in the UK. Our job is to make sure this valuable, finite national resource is managed in an efficient and effective way, including by supporting investment and innovation in wireless services.**

## What we did – in brief

- We laid the groundwork to make 6.25 GHz of spectrum available for mobile applications across the millimetre wave (mmWave) spectrum bands (26 GHz and 40 GHz).
- We progressed plans to allow the hybrid use of upper-6GHz spectrum for both mobile and Wi-Fi applications.
- We helped maintain the UK's place as a world leader in spectrum management, working with UK Government to represent British interests, including leading the UK delegation to the World Radio Conference.
- We worked to boost overall satellite network capacity, with plans to make more spectrum available in the 28 GHz band.

## Why this matters

- Radio spectrum is the lifeblood of mobile and wireless services – technologies that support modern lives, businesses and the digital economy. It is a valuable, finite national resource, used for everything from mobile phones to Wi-Fi, Bluetooth, broadcast radio and TV, air traffic control and emergency services.
- As competing demands for spectrum increase, Ofcom has a vital role in managing it efficiently and effectively, maximising the benefits to users. Our work this year will support better broadband and Wi-Fi in the home and the office. It stands to benefit sectors from manufacturing to transport, to the emergency services and the UK's railways.
- Technology is moving fast. By managing spectrum in the right way, Ofcom can support new and innovative services for people and businesses.



# Our work this year

## New airwaves to support mobile phones and broadband: the mmWave auction

Millimetre-wave (mmWave) spectrum is a band of extremely high-frequency airwaves that can carry large amounts of data. It can help improve mobile reception in busy areas such as train stations, football stadiums and concerts. It can also support innovative wireless applications requiring large amounts of data, or very high speeds, such as fixed wireless access to consumer broadband services, virtual reality and factory automation.

Ofcom is working to authorise mobile use across the 26GHz and 40GHz bands. We plan to make shared access licences available in the 26 GHz band early next year, before running an auction of 15-year licences covering 68 major towns and cities across the UK.

We published final decisions on licence conditions for mmWave spectrum, and how the auction will work, in April 2024. But to avoid the risk of spectrum being allocated inefficiently, we decided to defer the auction until after the Competition and Markets Authority (CMA) has reached a decision on the proposed merger between Three and Vodafone. To prepare, we have issued revocation notices to fixed-link users across both bands, which will enable unrestricted mobile use in high-density areas from the earliest possible date of 2028.



### 1.4 GHz

We are looking at making more spectrum available for mobile services in the 1.4 GHz band. This year we sought views on possible interference between mobile services and emergency satellite terminals in ports and airport areas, which use the adjacent 1.5 GHz band. We proposed that these technologies could co-exist with certain protections. At the same time, we asked for opinions on how these airwaves might be auctioned.

### Upper 6 GHz

The upper 6 GHz frequency band is currently used in the UK for services such as fixed links, short-range devices, earth exploration satellites and radio astronomy. In July, we consulted on a hybrid sharing approach, enabling the use of both Wi-Fi and mobile in the band to help get people connected. We are also pressing for international harmonisation of hybrid sharing in this band, to enable economies of scale for broadband and mobile equipment.

### 1900 MHz

We want to secure optimal use of unpaired 2100 MHz spectrum – a portion of the airwaves originally sold as part of the 3G auction in 2000, which sits within the 1900-1920 MHz band. After a consultation, we decided to revoke the relevant licences due to a lack of use. This will help free up airwaves for future critical uses – such as extending mobile coverage for emergency-service vehicles, and upgrading communications technology to support the UK's railways.

## Using spectrum to help the environment

Our spectrum work is contributing to the UK's plans to achieve net-zero greenhouse gas emissions by 2050. We are supporting the Government in ensuring utilities systems like electricity, gas and water are fit for the future needs of the smart grid.

In June, we invited views on the potential spectrum bands that could be made available for a private utilities network in Great Britain, and potentially Northern Ireland. We identified the 400 MHz and 700 MHz bands as the most likely candidates, as Government considers next steps.



## Ofcom's space spectrum strategy

The space sector provides important benefits to people and businesses in the UK. Satellites are used for broadband, broadcast TV, global positioning, emergency communications, acquiring critical climate information, and gathering data to give humankind a greater understanding of the universe.

This year, Ofcom's space programme focused on new non-geostationary orbiting (NGSO) satellite services, supporting our broader aim to improve broadband and mobile reception.

More and more people are getting broadband connections using satellites. Our annual **Connected Nations Report** confirmed 43,000 users of Starlink in 2023, up from 13,000 the year before. We want to see competition in the sector, and the overall number of NGSO operators is rising. We have approved an application from **Rivada** and are reviewing one from the **Beetlesat** constellation. We also propose to approve an application from Kepler for an Earth station network licence.

Satellites aren't just ideal for connecting premises and businesses in remote locations. They can also connect

vehicles, ships and aeroplanes. This requires spectrum, and every network operator providing these services to UK terminals must hold an Earth Station Network (ESN) licence. Our September **ESN statement** enabled the launch of NGSO terminals in UK waters, supporting better connections for the off-shore, shipping, leisure and fishing industries while ensuring other spectrum users are protected.

Several companies are now considering 'direct-to-device' satellite services – such as Apple's emergency messaging product, which has launched in the UK. These types of products can boost mobile coverage and provide back-up connections in the event of natural disasters. We have conducted an internal review of these services to examine whether our licences need to be adapted to authorise these services in the future, and we will gather views in 2024.

We are aiming to increase the overall capacity available for satellite services by up to 20 GHz. Our **28 GHz consultation** proposed additional airwaves for earth station gateways – large dishes on the ground that connect a satellite to the internet. We are working on increasing capacity for these gateways by making more spectrum available to them.

**Our spectrum work  
is contributing to the  
UK's plans to achieve  
net-zero greenhouse  
gas emissions by**

# 2050



## International engagement

We have continued to work with organisations and counterparts across Europe and globally to make sure the UK's interests are appropriately reflected in international spectrum debates and decisions.

Ofcom led the UK delegation of 60 people, including 20 of our own colleagues, to the World Radio Conference 2023 (WRC2023) in Dubai. The event led to important decisions on consumer issues such as upper 6 GHz, in which hybrid sharing allows both Wi-Fi and mobile operators to share the band, and where Ofcom's policy thinking was adopted in the final resolution.

We also focused heavily on space and satellite questions. This led to airwaves being identified for space weather monitoring, more spectrum for connections on ships and aircrafts, and capacity for intersatellite links which will support faster access to earth observation imagery. There were also allocations for frequencies supporting better weather forecasting and climate monitoring.

Following WRC2023, we are studying several possible new spectrum bands ahead of the next conference in 2027 which might be suitable for the next generation of wireless broadband, including 6G mobile. Close engagement with domestic and international partners will help ensure spectrum does not become a bottleneck as the next generations of wireless systems are deployed.

## Shared spectrum access

One important approach to meeting the growing demand for airwaves is 'spectrum sharing' – allowing different users to offer wireless applications using the same frequencies.

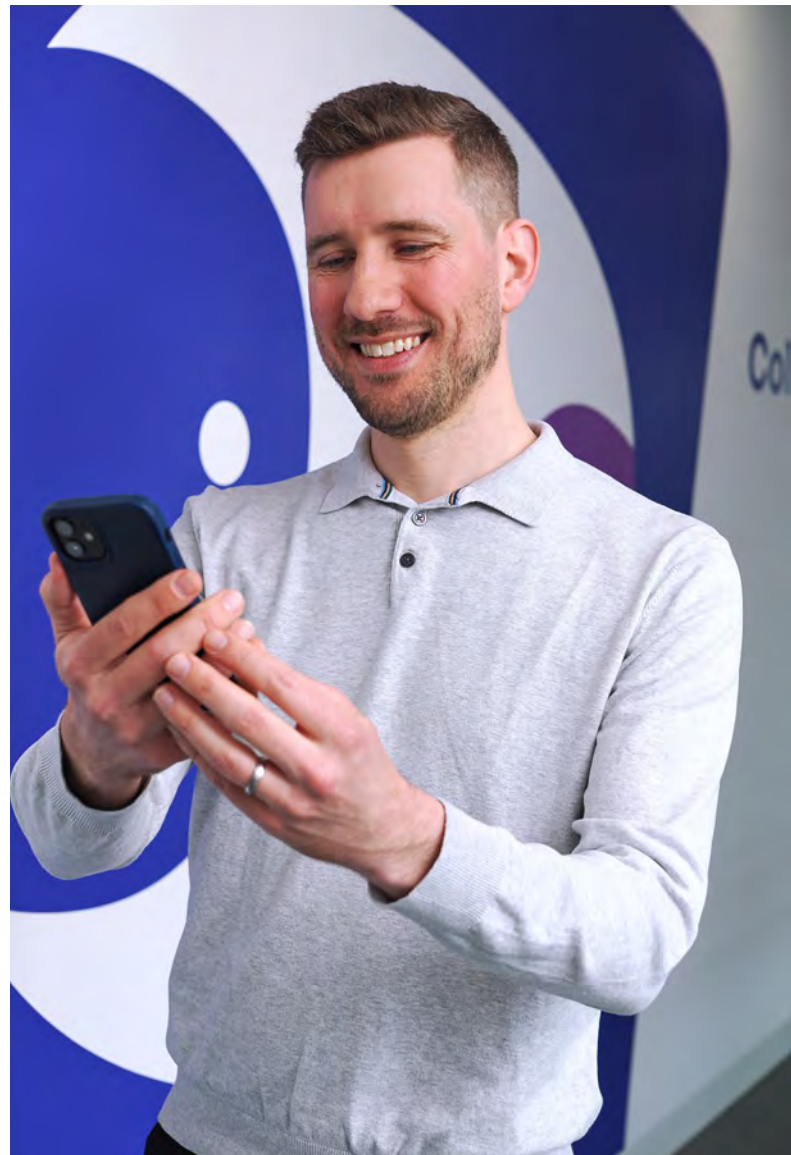
In November we consulted on how to unlock significantly more sharing opportunities, especially in the popular 3.8-4.2 GHz band. This will support a growing range of products including private networks, neutral hosts and Fixed Wireless Access (FWA) to support high-speed broadband in rural communities.

We also partnered with industry and academia to test innovation in 'sandboxes' – collaborative test beds that help to develop more flexible and efficient wireless networks. In December 2023, the Department for Science, Innovation and Technology began procurement with a view to funding industry-led testing projects.

## Supporting amateur radio users

We want to simplify the application and licensing experience for amateur radio users, as well as expanding the number of activities allowed under them. This year we reviewed our amateur licensing framework, as part of a broader overhaul of our licensing processes.

We published a notice of variation to 100,000 amateur radio licensees, who responded positively. This will benefit the amateur community by relaxing previous restrictions and allowing greater flexibility for their activities. And by early 2025, a new online licensing portal for amateur radio, ships radio and coastal station radio training schools will be provided and existing licences migrated, improving the experience for applicants and reducing administration costs.





# Media we trust and value

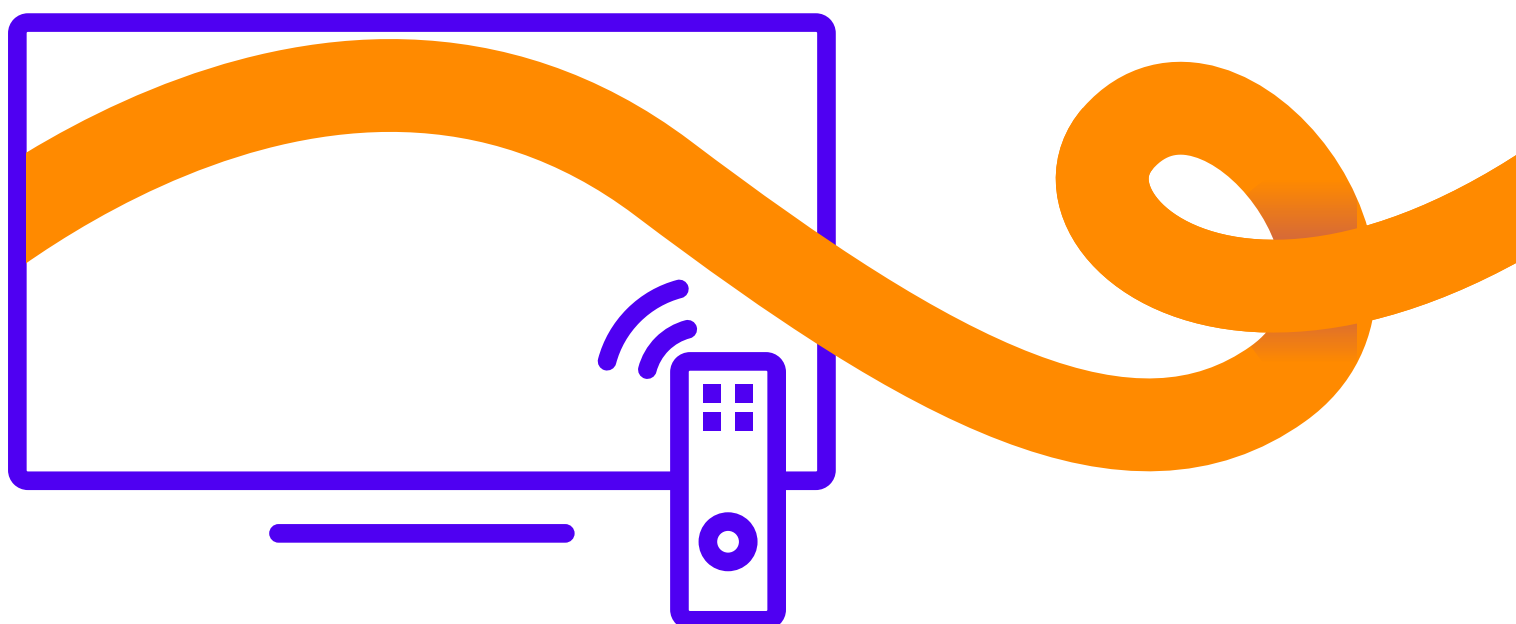
**As the media regulator, we support the UK's vibrant broadcasting sector – including public service media – helping it to evolve and meet the changing needs of viewers and listeners.**

## What we did – in brief

- We broadened our work in holding the BBC to account. Our Annual Report on the BBC found that, while it continues to deliver its remit well overall, it has difficult choices to make around how to serve an audience that is increasingly moving online.
- Our BBC Audiences Review examined why lower-income audiences are consistently less satisfied with the national broadcaster than other groups.
- We also continued to monitor the BBC's wider performance and market impact, notably its BBC First complaints process, commitment to 'due impartiality' and commercial activities.
- We have continued to work with the Government and industry on the Media Act, so that new legislation will allow regulation to keep pace with changing audience habits and a highly dynamic market.

## Why this matters

- The BBC must evolve to meet the needs and expectations of its audience. That includes responding to people who increasingly access programmes on demand, online or on the move. At the same time, we must monitor how changes affect viewers and listeners who still rely on traditional services such as live TV and radio.
- Low-income audiences account for almost a quarter of the UK population, and their feedback gives an important message to the BBC. Our findings can encourage the BBC to take more risks in producing new and innovative content that benefits a wider range of people.
- It is vital that the BBC continues to fulfil its Mission and Public Purposes when it comes to news, local radio and output from across the nations. Just as importantly, the BBC needs to improve people's confidence in its approach to due impartiality.
- Viewing habits have changed and public service media must adapt with them. New legislation will ensure public service content is available and prominent online, while also meeting requirements on subtitles, signing and audio description for viewers and listeners who use them.



# Our work this year

## Holding the BBC to account

In November, our [Annual Report on the BBC](#) found that the corporation continues to deliver its remit well overall and has continued to deliver its Mission and Public Purposes. But we also highlighted the need for the BBC to challenge itself as it implements measures on impartiality. We noted that, as audiences continue to move online, the BBC is having to make difficult choices as it adapts to meet their needs. As it does so, we will closely monitor the impact of these changes.

We published a [BBC Audiences Review](#), including new research to better understand why lower-income audiences have consistently shown lower levels of satisfaction with the BBC than other groups. Many of the people we spoke to in these groups – who account for almost a quarter of the UK population – felt that the BBC’s programmes can be too dry or serious compared to other services. Our respondents also made clear that they want the BBC to portray their real lives more authentically, and to take more risks in producing new and innovative content.



## Monitoring the BBC’s performance and market impact

We continued to scrutinise the BBC’s activities in these important areas:

- Fulfilling its Mission and Public Purposes: we monitored changes to BBC News channel, local radio and changes in the nations and regions.
- Complaints: we have directed the BBC to improve its transparency in relation to complaints about due impartiality and due accuracy.
- Impartiality: we have monitored how the BBC is implementing the findings of the Serota Review, which followed Lord Dyson’s investigation into Martin Bashir’s 1995 Panorama interview with Diana, Princess of Wales. As part of that, we understand the BBC has carried out the various actions in its Impartiality and Editorial Standards Action Plan to improve public confidence in its approach to due impartiality. However, we continue to encourage the BBC to treat this as a priority area. On a related point, this year we increased engagement with the BBC’s Editorial Guidelines and Standards Committee and began attending some of its meetings. We now receive regular updates from the BBC’s editorial team in this area.
- Competition: we updated our guidance and requirements concerning the [BBC Commercial and Trading Activities](#). We are also monitoring whether any proposed changes to BBC public service activities, which may have a significant impact on competition, are justified in light of the potential public value. In 2023 we decided that the BBC could implement its [proposals for Radio Cymru 2](#).

**Our respondents also made clear that they want the BBC to portray their real lives more authentically, and to take more risks in producing new and innovative content.**

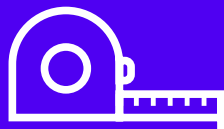
## Future of BBC regulation

In January, the Department for Culture, Media and Sport (DCMS) published its Mid-Term Review of the BBC's governance and regulation. This drew on Ofcom's own 2022 review and broader evidence on regulating the BBC. DCMS has made **recommendations** for changes to regulation and governance of the BBC, and we will look to implement these as soon as possible.

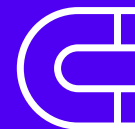
In 2023, we also:



published our **Statement on Modernising the BBC's Operating Licence** which came into force in April 2023, allowing the BBC more flexibility to respond to audience needs;



consulted on, and published, our updated **BBC Performance Measurement Framework** which sets out how we will measure BBC performance and hold it to account under the new Operating Licence; and



updated our **competition guidance and requirements to the BBC**. These will encourage positive engagement between the BBC and its competitors regarding changes to the BBC's public services.

## Supporting public service media

- In November 2023, the Government introduced the Media Bill to Parliament. This legislation proposed several reforms to how public service broadcasters (PSBs) are regulated. The Media Act received Royal Assent on 24 May 2024.
- The changes help public service content to be distributed through digital platforms, making sure it is both available and prominent online. The Act also proposes reforms to the regulation of terrestrial radio services and online radio streams.
- Certain streaming services, also known as video-on-demand (VoD) services, will be regulated more like traditional TV channels. The Act places accessibility requirements on VoD services and requires a new VoD Code on standards which is similar to Ofcom's Broadcasting Code.

In February, we published a roadmap for how and when we would implement these changes. We continue to make sure the existing regulatory framework works as effectively as possible, ensuring all PSBs meet their remit and licence obligations. We have also looked at how the market overall is serving the interests of children.

## Future of TV distribution

In March we launched a **call for evidence** and reported on the future of TV distribution, looking at long-term changes in how TV and audio are distributed through broadcast platforms and over the internet. We also carried out some initial work to consider the role of connected TV platforms, smart speakers and digital assistants as intermediaries between content

providers and audiences, considering their potential impact on competition and consumer outcomes. This work is continuing, with a focus now on connected TV platforms.

## Local media review

We are undertaking a wide-ranging review of the local media market in the UK, covering print, radio, television and online. As part of our review, we will take account of the recent changes the BBC has made to its local radio services.

## Channels 3, 4 and 5

The commercial public service broadcasters – ITV, STV, Channel 4, S4C and Channel 5 – play an important role in the UK's media landscape. The current Channel 3 and Channel 5 public service broadcasting licences expire on 31 December 2024. We are currently running the process to renew these licences for the next ten-year licence period (to 31 December 2034).

In our annual response to Channel 4's media content duties and plans for the coming year, we found that the broadcaster had successfully delivered its remit and duties. We said it should set out its longer-term plans as it moves to becoming a digital-first broadcaster.

The Channel 4 licence also expires on 31 December 2024. In December we consulted on **renewing the Channel 4 licence**, including changes to the licence conditions to support that digital-first transition. We launched a **further consultation** on this in July, which will conclude in August. We will finalise the changes and renew its licence before its current terms expire.

# Serving and protecting audiences

**We set and enforce standards on TV, radio and some on-demand services. By protecting audiences from harmful content and upholding due impartiality, we maintain trust in our broadcast media and ensure high standards for viewers and listeners.**

## What we did – in brief

- We continued to protect standards in programmes broadcast on TV, radio and on-demand services. This year we assessed 69,807 complaints (9,960 cases), completed 48 investigations and found 39 cases in breach of our broadcasting rules.
- As we prepare for potential new powers to regulate streaming services, we commissioned new research to help us understand people's expectations of these platforms. We also examined viewers' evolving attitudes towards sex and violence on television.
- We updated our data collection toolkit for broadcasters to measure equity, diversity and inclusion, including a new model for data collection and fresh guidance for broadcasters on broadening their workforce.

## Why this matters

- Audiences should be protected from harmful content on TV and radio. They should be able to trust what they see and hear, and feel able to complain to us about something on TV or radio which concerns them. We assess every complaint we receive and investigate when things have gone wrong. We always take account of freedom of expression.
- More and more people are moving away from scheduled TV to streaming services. Planned new laws would give Ofcom powers to hold these services to similar standards that people expect from traditional TV. And Ofcom's research helps ensure that our rules reflect the changing needs and expectations of viewers.
- Ofcom is helping the broadcasting industry extend job opportunities to talented people from the widest possible range of backgrounds. This isn't just about fairness, it's also about making programmes that reflect the diverse experiences of modern life.



# Our work this year

## Upholding standards on TV and radio

We continue to set and enforce content standards for broadcast television and radio, which are set out in the Broadcasting Code. This detailed rulebook covers all scheduled, 'linear' channels broadcasting from the UK.

We also make sure that video-on-demand (VoD) providers comply with more limited legal requirements around harmful content. That includes both broadcast video-on-demand (often called 'catch-up' services, such as ITVX and My5), and subscription video-on-demand (usually called 'streaming' services, such as Amazon Prime Video).

The Media Act will give Ofcom powers to draft and enforce a new VoD code, similar to the Broadcasting Code but designed to uphold standards on catch-up and streaming content. This would result in a more consistent set of regulations across the different services that people now use to watch TV.

Broadcasters have a right to transmit information, opinions, and ideas, while viewers and listeners have a right to receive them without unnecessary interference. In all our standards work, Ofcom takes full account of freedom of expression.

This year we assessed 69,807 complaints (9,960 cases), completed 48 investigations, and found 39 cases in breach of our broadcasting rules.

Just over one in ten of the complaints received by Ofcom this year were about coverage of the conflict in Israel and Gaza. We play a crucial role in preserving the integrity of broadcast news and current affairs programming, by upholding standards of due impartiality in such programming and due accuracy in news. And so, complaints about this content – on a range of channels – were prioritised by Ofcom's Standards and Audience Protection Team. Complaints concerning the conflict led to 1,442 cases assessed during the third and fourth quarters of the year, constituting just under fifteen percent of all cases assessed. After careful consideration of each case, Ofcom determined that none warranted further investigation under the Broadcasting Code.

We also commissioned two important pieces of audience research, both published in October. The first examined TV viewers' **attitudes to violence and sexual content**, with a focus on the need to protect children and uphold generally-accepted standards on offensive material. Viewers told us that the portrayal of sex in programmes has improved and modernised, but that levels of violence on TV appeared to have increased and intensified.

The second report focused on audience's **expectations of linear and on-demand services**. We wanted to understand whether viewers expect different standards across traditional linear TV, catch-up and subscription streaming services. We found that viewers place similar expectations on linear and catch-up, but felt less need for protections on streaming platforms.

## Regulating advertising

As broadcasters face growing competitive pressures, we examined whether our rules on the maximum duration of advertising breaks on public service channels should be revised. In April we consulted on the Code on the Scheduling of Television Advertising (COSTA), which covers this area. In our subsequent **consultation and statement**, we decided not to change the rules now, but said we would review our position alongside other changes to public service broadcasting in the coming years.

We continued preparations for new legal restrictions on the advertising of less healthy food and drink products that come into force in October 2025. These rules will apply to TV, on-demand and online advertising. We set out **how we would implement** the restrictions, including **designating** the Advertising Standards Authority as a co-regulator for online provision. We have also engaged DCMS on its Online Advertising Programme, informed by our experience in regulating across different media.

**In the period under review, a total of**

**69,807**

**complaints were received.**



This was a significant increase from the same period in 2022-2023 when 36,908 complaints were received.

## Diversity in broadcasting

TV and radio have the power to shape and represent our country's identities and values. To achieve that, broadcasters must reflect the society we live in today. But several groups – such as disabled people, and those from working-class or minority-ethnic backgrounds – still find it harder to enter and progress in the industry.

Ofcom remains focused on ensuring equality of opportunity in broadcasting. In December, we published a revised and updated [diversity data report](#) on workforces within the sectors, reporting for the first time by geographic area. We highlighted the need for TV and radio companies to maintain their focus on collecting data, and the need for senior leaders to achieve change – including broadening opportunities at senior management levels.

## Supporting production across the UK

We enforce rules to ensure viewers and listeners can access original, public service, UK content from a rich combination of public and commercial firms, independent and integrated producers. In August, we presented an up-to-date view of the industry and some of the opportunities and challenges it faces over the next decade. This work will make sure Ofcom remains well placed to support a thriving UK creative economy and understand the wider impact of our future decisions.

## Licensing TV and radio services

Radio listeners can enjoy more choice than ever before, thanks to small-scale DAB – a groundbreaking technology, developed within Ofcom, that provides a low-cost way for local commercial, community and specialist stations to broadcast on terrestrial digital radio to a small area. This year we licensed new DAB multiplexes carrying services throughout the UK nations, and renewed licences for multiplexes carrying local DAB stations. Since we began this licensing programme in 2021, 55 small-scale DAB multiplex services have launched, each carrying an average of 10–11 radio stations. These are unique services, not simulcasts of FM or AM channels.

Also this year, we continued to work with DCMS following its [consultation](#) on the future of the local TV sector, and its [consultation](#) on regulating additional electronic programme guides.

## Making TV accessible to everyone

People who are deaf, have hearing loss, are blind or partially sighted need to be able to access and enjoy TV programmes that are available to everybody. This is why broadcasters supply 'access services', such as subtitles, audio description and signing.

We continued to enforce minimum requirements for the availability of these services, as well as working with the Government to introduce additional rules. In March, we updated our [best practice guidance](#) in relation to accessibility, including guidance specific to on-demand services. We also published our [annual report](#) on the accessibility of electronic programme guides, considering how audience behaviour is changing, and highlighting progress by most EPG providers in offering accessibility features.



# Principal risks and uncertainties

Effective risk management lies at the heart of Ofcom's mission and is a key aspect in achieving our objectives. In this section of our Annual Report, we provide a comprehensive overview of the six principal risks facing our organisation and the strategies employed to address them.

Our commitment to robust risk governance ensures that we maintain a proactive stance in identifying potential threats, implementing appropriate controls, and monitoring our risk landscape to adapt swiftly to emerging challenges. By embedding risk management principles into our decision-making processes and fostering a culture of accountability and transparency, we strive to enhance stakeholder confidence in our ability to navigate uncertainties effectively.

## Principal risks in detail

We have recently undertaken a comprehensive risk review and reworked our strategic risk register. This has resulted in the identification of six strategic risks. The following tables outline our six strategic risks in more detail, including the risk description and a risk and control assessment summary.

Risk	Description	Risk and control assessment summary
<p><b>1</b></p> <p><b>Managing our regulatory environment</b></p>	<p>Failure to anticipate, influence or prepare for changes in regulatory remit, including changes to legislation, the scale of new regulatory objectives, or to secure the means to best adapt to changes in the way our sectors operate, may lead to significant costs, delays, or even the inability to achieve regulatory and organisational objectives effectively.</p>	<p>Through proactive engagement with Government, other regulators, Industry, and consumer/citizen engagement, both domestically and internationally, we can enhance our ability to anticipate, influence and prepare for any changes. Our corporate strategy and governance controls ensure we manage this risk effectively. Continued success requires us to be well informed, agile, and responsive, as even with a highly effective control framework, the potential of this risk remains possible and will need to be carefully monitored and managed</p>
<p><b>2</b></p> <p><b>Trusted regulator</b></p>	<p>Loss of trust in Ofcom as a regulator as a result of failures to make, or being seen to make, independent, impartial, timely, effective and evidence-based decisions in the interests of UK citizens and consumers, and UK plc more widely.</p>	<p>Trust in Ofcom is central to our ability to operate effectively in the interests of citizens and consumers. In light of this, we have in place robust people, project and governance controls to ensure Ofcom has the skills and expertise to exercise its functions effectively, to communicate what we are doing transparently and clearly to our stakeholders, and to engage proactively with what our stakeholders tell us is important to them in the sectors that we regulate.</p>



Risk	Description	Risk and control assessment summary
<p><b>3</b></p> <p><b>Responding to changes in technology, markets and consumer behaviour</b></p>	<p>Failure to monitor, understand and act on rapid, disruptive and unexpected technological changes or future industry trends and developments that affect consumers or industry behaviours. This may limit our ability to take a proactive approach within communications markets, leading to consumer protection challenges, reduced consumer and citizen benefits, or lower innovation.</p>	<p>Our sectors are fast-paced, and are driven by technological developments, investment, and innovation, resulting in changing consumer behaviour. Anticipating uncertain disruptive change is inherently challenging. Our current controls guard against our work becoming less relevant through investment in a range of initiatives including horizon scanning, trends analysis, proactive monitoring of consumer behaviour and external engagement to understand changes to technology.</p>
<p><b>4</b></p> <p><b>Sound financial management</b></p>	<p>Failure to effectively manage our funding and finances to support delivery of our regulatory duties may lead to financial instability, compromising our effectiveness and reputation.</p>	<p>Effective financial planning and control is critical to Ofcom's success and enables us to achieve our objectives and provide value for money and confidence to our stakeholders. Strong financial controls are in place, and we continue to strengthen our planning.</p>
<p><b>5</b></p> <p><b>People and culture</b></p>	<p>Failure to execute a people strategy that enables Ofcom to attract, motivate, develop, and retain excellent talent may significantly limit our ability to achieve our mission and strategy.</p>	<p>This risk takes into account changes in the external environment which could impact talent attraction and retention. We operate in a challenging competitive market for key skills in areas such as cyber, technology, ICT, and Data and AI. These are addressed through our talent and resourcing strategies and strategic workforce planning.</p>
<p><b>6</b></p> <p><b>Information and cyber-security</b></p>	<p>Failure to maintain effective information and cyber-security arrangements that protect the confidentiality, integrity and availability of our data and systems, may lead to malicious and/or accidental data incidents, unauthorised system access, operational disruption and a loss of trust in our ability to safeguard sensitive information.</p>	<p>There is a significant inherent level of evolving risk in this area, and we continue to invest in information and cyber security arrangements to protect Ofcom. Robust ICT security measures and controls including ISO 27001 accreditation, continuous monitoring and threat intelligence and comprehensive information security awareness training are in place to ensure that we are well protected and able to respond and recover from threats quickly.</p>

# Stakeholder Engagement

## Work in the nations and our international engagement

In discharging our duties, we must consider all the different nations, regions, cultures, population densities and landscapes that make up the UK.

Our offices in Belfast, Birmingham, Cardiff, Edinburgh, London, Warrington and Manchester allow us to engage directly with Governments, elected representatives and local stakeholders and to ensure we consider the views, interests and needs of people across the UK.

In addition, we have statutory Advisory Committees for England, Wales, Northern Ireland and Scotland, and Board members for Wales, Scotland and Northern Ireland who are appointed by the Welsh and Scottish Governments and the Northern Ireland Executive respectively, in consultation with the UK Secretary of State. Our Content Board and Consumer Panels also have members representing each part of the UK.

Although much of our work is relevant across all the UK, we have highlighted some specific work carried out relating to each of the UK's nations over the past year.



## Northern Ireland

- With the return of devolved government in February 2024, we moved quickly to build on our relationships at Stormont, in line with our Memorandum of Understanding with the NI Executive, the Assembly and the UK Government.
- We continued to work with stakeholders to help deliver improved 4G and 5G coverage across Northern Ireland through our role in the Shared Rural Network NI working group and the Northern Ireland Government's newly-formed Mobile Action Plan Barrier Busting Taskforce.
- We led engagement in Northern Ireland for Ofcom's first two online safety consultations, presenting our proposals to politicians and other relevant stakeholders in sectors including violence against women and girls (VAWG), child safeguarding, anti-fraud practitioners, and victims and survivors of terrorism.
- We continued to work closely with our counterparts in the Republic of Ireland – ComReg and the Broadcasting Authority of Ireland – on a range of telecoms, spectrum, broadcasting and online safety issues – for the benefit of people and businesses in Northern Ireland.
- We completed the appointment of two new Advisory Committee members, Jackie Neill and Paul Wickens. And we extended the term of our Advisory Committee Chair, Carrie Matchett, by one year and reappointed Michael Wilson to a second term on the Committee.

## Scotland

- We have continued to engage with Scottish stakeholders throughout the past year on key issues. For instance, we regularly meet with Scottish Government officials and Scottish local authorities (including through attendance at the Scottish Government's 'Digital Single Point of Contact' local authority network) to discuss digital connectivity, network resilience, 2G/3G and PSTN switch-off.
- We engaged with the Scottish Futures Trust by exploring the use of wireless technology and coverage mapping and the Scotland 5G Centre on shared access spectrum. In November 2023, we presented at the Digital Scotland conference on satellite technology and our approach to space spectrum regulation.
- We meet regularly with BBC Scotland, Channel 4, MG ALBA and STV to discuss Scotland-specific broadcasting topics. Our Advisory Committee for Scotland has had presentations from BBC Scotland, Channel 4 and MG ALBA this financial year.
- We held the Making Sense Of Media (MSOM) roadshow in Dundee in June 2023 to discuss the link between gaming and media literacy. In October 2023, we presented Ofcom's new online safety duties at Scottish Games Week.
- We completed the reappointment of Rhoda Macdonald to the Board of MG ALBA in December 2023. We also appointed two new members of the Ofcom Advisory Committee for Scotland, Cameron Spiers and Caroline Di Stefano.



## Wales

- We have completed our review of our Memorandum of Understanding between the UK Government, the Welsh Government and Senedd Cymru. The revised MoU commits Ofcom to meet with Welsh Government officials in early autumn to discuss the respective strategic priorities of each organisation for the coming year.
- Following the implementation of the Online Safety Act, we have sought to develop new relationships with relevant organisations including the Welsh Government's Digital Resilience in Education team. We presented at the Welsh Government's Keeping Safe Online Conferences in Llandudno and Cardiff on Ofcom's new duties and approach and have joined its Digital Resilience Symposium which met for the first time in November 2023. We also hosted a briefing session on the Online Safety Act and our work on Generative AI to Welsh Government officials.
- We engaged with public service broadcasters in Wales to discuss issues and priorities in Wales. BBC Cymru Wales, ITV Cymru Wales, S4C and Channel Four all look forward to implementing the Media Act which will deliver greater prominence for their services on digital platforms. Following a public interest test, BBC Wales's proposal to expand its Radio Cymru 2 service was approved and subsequently launched.
- We have continued to review our practices and procedures to ensure compliance with our Welsh language standards, including our provision of services to those who prefer to communicate with us in Welsh.
- We worked with the Welsh Government to appoint Sir Clive Jones CBE as a Board member for Wales. We appointed Rachel Burr as the Wales Member on the Communications Consumer Panel and Advisory Committee for Older and Disabled People. We also appointed three new members to the Advisory Committee - Karen Lewis, Amanda Rees, and Geraint Strello.

## England

- As Government devolved greater powers to directly-elected leaders across England through additional and 'deeper' devolution deals, we have taken steps to engage more closely with Combined Authorities and their leadership teams.
- We provided spectrum engineering and compliance support to events as diverse as the King's Coronation and Windsor Concert in London, the AI Safety Summit at Bletchley Park and Eurovision in Liverpool. Spectrum Engineers assisted important spectrum users in using their equipment with minimal issues, and to detect and deal with any non-compliance issues.
- The Advisory Committee for England maintained its engagement with diversity issues, focusing on the vulnerable, particularly around social tariffs, the switch to voice over IP and the switch off of 2G and 3G, and on connectivity for rural communities.
- The committee met Channel 4 and discussed progress with its out of London targets for production. It engaged with Deloitte on its Digital Consumer Trends survey and with TechUK on its perspectives on the telecommunications sector. The Committee held one of its meetings in Bradford, where it met Media Studies students from the University of Bradford and listened to their views on career prospects in the media sector for young people based in the North of England. It also engaged with a representative from Bradford's creative sector.
- We completed the appointment of three new Advisory Committee members - Edleen John, Grant Davis and Mauro Mortali.



# Our international engagement

## Engaging internationally helps make communications work for everyone in the UK.

Our areas of responsibility are global and interdependent in nature, requiring us to work collaboratively with a range of international partners across our regulated sectors (including international regulators, industry, civil society and academia) to deliver good outcomes for UK consumers. We use our international engagement to bring knowledge and insights to inform how we design and implement regulation in the UK and as part of our horizon-scanning activity. We also share our expertise with international partners and seek to influence regulatory developments in the sectors that matter to us. This regulatory cooperation helps to create a shared understanding of the tools available to regulators and, where possible, avoid unnecessary divergences between comparable regulatory regimes in the UK and abroad.

### In Europe and beyond

Across our sectors, we face similar market and regulatory trends and challenges to many of our counterparts, particularly when it comes to the regulation of digital platforms. Engaging with partners in the EU remains an important part of our international work, particularly where our powers originally derive from EU legislation.

We are active participants in regulatory dialogues at the European level, including through our membership of the Independent Regulators Group (IRG), a group of 37 European communications regulatory authorities, and the European Platform of Regulatory Authorities (EPRA), a network of 55 European media regulators. We continue to work within the International Working Group on Age Verification with European peers to help ensure consistent implementation of rules obliging video-sharing platforms to protect minors from restricted material on these services.

We have also continued to invest in our relationships beyond Europe, where we have had several constructive exchanges with regulators and governments from around the world, across all our work areas including regulatory collaboration (where we have shared our experience of the DRCF), cloud computing, artificial intelligence and media literacy. We continue to engage in peer support activities, sharing our expertise regularly.

With respect to online safety, we are conscious that many of the services we regulate – and the online safety challenges we’re trying to address – are global in nature, and that we cannot limit our international engagement to Europe.

In that context, we have had multiple engagements regarding our online safety work with a global range of partners, including with the United States, Australia, Canada, Brazil, and Singapore. Building and expanding networks and strong international relationships in this emerging regulatory field will be crucial to the success of our domestic regulation. During 2024, we are serving as Chair of the Global Online Safety Regulators Network, now in its second year, which aims to enhance consistency in online safety regulation by enabling regulators to share insights, experience and collectively develop best practice. As Chair, we are continuing to grow and develop the Network.

Finally, we also continue to participate in broader international regulators’ networks and working groups across the sectors we regulate, both formal and informal, as well as multi-stakeholder forums and convenings such as the Internet Governance Forum (IGF) or the International Institute of Communications (IIC).



## Inter-governmental organisations

Ofcom represents the UK at the International Telecommunications Union (ITU), the UN specialised agency for telecoms and information and communications technologies. This year we led the UK delegation to the ITU's World Radiocommunications Conference (WRC23), the major meeting held every four years at which the global rules for radio spectrum are decided (including for mobile, Wi-Fi and satellite).

Ofcom also represents the UK on the ITU's governing council, to which the UK was elected in 2022 for the first time in 20 years, and will lead the UK delegation to the ITU's World Telecommunications Standardisation Assembly (WTSA), in late 2024.

Ofcom continues to hold several leadership positions in the European Conference of Postal and Telecommunications Administrations (CEPT), responsible for developing European positions for ITU negotiations.

These include Chair of the European Electronic Communications Committee (ECC), the most senior spectrum group within the CEPT, Chair of the Conference Preparatory Group (CPG) for the forthcoming WRC27 Study cycle, and Vice Chair of Com-ITU, the Committee for ITU Policy.

We also support the UK Government at the Universal Postal Union (UPU), the inter-governmental body which governs the price of international mail between Universal Postal Service Providers, and work closely with fellow international postal ministries and regulators, including in the Committee on European Postal Regulation (CERP).

Finally, Ofcom continues to participate in the policy development work of the Organisation for Economic Co-operation and Development (OECD), sitting on the Communications Services and Infrastructure Committee (CSI) and engaging in the work of the Network of Economic Regulators (NER) and Regulatory Policy Committee (RPC), as well as taking part in the Better Regulation In the Digital Age (BRIDGE) initiative.

We continued to invest in our relationships beyond Europe, where we have had several constructive exchanges with regulators and governments from around the world.



# Engagement with other stakeholders

## Citizens and consumers

Understanding citizens' and consumers' interests and behaviour is vital to our work. Ofcom makes extensive use of research, helping to inform our work and providing us with insight into trends in the take-up and use of communications services and the behaviour and concerns of consumers. In particular, our annual reports, Online Nation, Media Nations, Connected Nations, Adults' Media Use and Attitudes, and Children's Media Use and Attitudes, all highlight and analyse these trends.

Ofcom's Consumer Contact Team received 58,316 calls, web forms, emails, and letters directly from members of the public in 2023/24. The information that consumers provide helps us focus our policymaking and enforcement work. Consumers also contact us through our website. While we cannot resolve individual complaints about telecommunications services, we provide advice to complainants and refer them to the alternative dispute resolution (ADR) schemes that we have approved. We do, however, handle complaints about TV and radio programmes.

Our separate offices in each of the nations of the UK provide Ofcom with detailed and expert insights into the challenges faced by citizens and consumers in different parts of the UK. Our advisory committees for each nation of the UK offer information and advice to Ofcom on aspects of our work, and communications in general, which are of importance specifically to each nation. National interests are also represented by members of Ofcom's Content Board and by the Communications Consumer Panel.

## Industry and Government

Ofcom engages with a wide range of stakeholders, including companies and industry bodies in the sectors we regulate, consumers and consumer groups, the UK Government and devolved institutions, co-regulators and other regulators. We are members of the UK Regulators Network, Digital Regulation Cooperation Forum, and we work with various international organisations and regulatory bodies.

## Co-regulators

Ofcom has a co-regulatory partnership with the Advertising Standards Authority (ASA), which was formed in 2004. This covers broadcasters and advertising on video-on-demand services. Broadcasters are obliged to comply with the advertising codes under their broadcast licences issued by Ofcom. When the ASA adjudicates on an advertisement, broadcasters comply with rulings immediately under the conditions of their licences. Where necessary, the ASA can refer licensees to Ofcom.

Ofcom has responsibility for the regulation of premium-rate services (PRS) which enable consumers to purchase goods and services by charging the cost to their phone bills and pre-pay accounts. The day-to-day regulation of PRS is carried out on Ofcom's behalf by the Phone-paid Services Authority (PSA) through its enforcement of a code of practice approved by Ofcom. We are working with the PSA to potentially transfer its duties to Ofcom. This is expected to take place in October 2024 and is dependent on further approval from DSIT.

The Competition and Markets Authority (CMA) has concurrent powers under specific consumer protection legislation, and within the framework of competition law for the communications sector. We work with the CMA to ensure that a consistent and co-ordinated approach is taken in relation to issues where we have concurrent powers, and we discuss which body is best placed to lead in each case.

# Ofcom's regulatory principles

## When we regulate

- Ofcom will operate with a preference against intervention, but with a willingness to intervene promptly and effectively where required.
- Ofcom will intervene where there is a specific statutory duty to work towards a goal that markets alone cannot achieve.



## How we regulate

- Ofcom will always seek the least intrusive regulatory methods of achieving its objectives.
- Ofcom will strive to ensure that interventions are evidence-based, proportionate, consistent, accountable and transparent in both deliberation and outcome.
- Ofcom will regulate with a clearly-articulated and publicly-reviewed annual plan, with stated objectives.



## How we support regulation

- Ofcom will research markets constantly and aim to remain at the forefront of technological understanding.
- Ofcom will consult widely with all relevant stakeholders and assess the impact of regulatory action before imposing regulation on a market.





## Better regulation

We believe 'better regulation' means ensuring rules are properly targeted, do not impose undue burdens on businesses, or cause unnecessary barriers to innovation, investment and the development of choice and competition in the market.

During the past year we have made several significant regulatory decisions, but the volume of documents we publish has stayed broadly the same. Figure 1 below provides an overview of how the regulatory burden on stakeholders changed because of Ofcom's regulatory decisions and statements in 2023/24.

### Figure 2: Impact of our statements on the regulatory burden to stakeholders: 2023/24

Of the 34 major statements delivered in the year:	Number	Percent
Increased/new regulation	6	11%
Mixed/no change/ongoing	26	82%
Reduced regulation	0	2%
Streamlined/co-regulatory	2	4%

An overview of the main decisions and statements that we have made during the year can be found in Annex 2.

## Consultations

Public consultations allow stakeholders to comment on, and respond to, our proposals before any final decisions are made. If the period for consultation is too short, some of those with important views to share may not have enough time to prepare their responses. If it is too long, the market concerned may have changed dramatically. When we decide how long a consultation should last, we need to strike the right balance between these two considerations. Included in Figure 3 is an analysis of the length of our consultations by sector.

### Figure 3: Analysis of consultation duration: 2023/24

	Consultation period at least ten weeks	Consultation period less than ten weeks
Telecoms	3	8
Broadcasting	3	13
Spectrum	4	9
Post	1	0
ECC	0	7
Online Safety	2	0
Other	0	3
<b>Total</b>	<b>13</b>	<b>40</b>
<b>% Total</b>	<b>25%</b>	<b>75%</b>
<b>% Total (22/23)</b>	<b>19%</b>	<b>81%</b>

## Timeliness of decision making

We analyse how long it takes us to publish a decision following the close of a consultation (see Figure 3). In 2023/24, 100% of our decisions were announced within fifteen weeks of closing a consultation.

## Impact assessments

Impact assessments are an important part of the decision-making process. Section 7 of the Communications Act 2003 requires us to carry out and publish our assessment of the impact of implementing a proposal which is likely have a significant impact on businesses or the general public, or when there is a major change in Ofcom's activities. We use impact assessments to help us understand and assess the potential impact of our policy decisions before we make them. They also help us explain the policy decisions we have decided to take.

In July 2023, we updated our impact assessment guidance<sup>2</sup> which reemphasised Ofcom's commitment to conducting assessments as an integral part of the policy-making process, and stated that we expected to carry out impact assessments in most of our policy decisions. In particular, we recognised the important role of qualitative impacts in assessing our decisions and updated how we present our impact assessments to stakeholders. More recent impact assessments have contained clear summaries of the likely impacts of a proposal and direct the reader to the specific sections of the consultation which contains further analysis.

The table below provides a summary of the impact assessments we carried out during the year. The full list is published in Annex 1.

**Figure 4: Analysis of impact assessments (IA) carried out**

Number of consultation documents	Total	IA explicit in published document
Telecoms	11	10
Broadcasting	16	11
Spectrum	13	11
Post	1	1
ECC	7	7
Online Safety	2	2
Other	3	1
<b>Total</b>	<b>53</b>	<b>43</b>

Figure 4 highlights that, in 2023/24, 75% (2022/23: 80%) of consultations had conducted an impact assessment, explicitly referenced in a specific section or annex of the consultation document. In some circumstances, it may not be necessary or appropriate to conduct an impact assessment, or it may be implicit within the consultation. We will continue to ensure that impact assessments are carried out and properly presented in all relevant cases.

<sup>2</sup> [https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0023/255560/Impact-Assessment-Guidance](https://www.ofcom.org.uk/__data/assets/pdf_file/0023/255560/Impact-Assessment-Guidance).

## Equality impact assessments

We also have statutory obligations which require us to consider the impact on specific groups of people as part of our decision-making processes. These include our public sector equality duties under section 149 of the Equality Act 2010.

Our updated impact assessment guidance explains that we will generally carry out equality impact assessments (EIAs) in relation to new or amended policies and processes. This helps us ensure our decisions are fair by design and deliver proportionate outcomes for diverse groups. Most of our consultations contain an EIA summarising any potential positive or adverse impacts we have identified as well as ways in which we intend to mitigate any potential adverse impacts.

To help ensure we consider potential impacts on under-represented or disadvantaged groups and communities, we continue to review our existing datasets and identify where we may need to carry out additional research to explore the experiences of particular groups. We are also committed to ensuring our consultation processes are as open and inclusive as possible so that we obtain a broad range of views and different groups have the opportunity to share their thoughts before we make any changes.<sup>3</sup>

<sup>3</sup> We also provide updates on diversity and inclusion in our regulatory work in our [progress updates](#).

## Online safety research

To prepare for and deliver our online safety duties in 2023/24, we have invested in a comprehensive and multidisciplinary programme of research, providing the evidence base that underpins our regulation. Ofcom has various teams responsible for research and data activity in different areas.

- a) Our Research and Intelligence team leads on understanding user experiences and attitudes through quantitative and qualitative consumer research and passive monitoring tools, as well as understanding the online industry through the analysis of industry datasets.
- b) Our Behavioural Insights team houses our behavioural economics and psychology expertise, particularly in using online randomised controlled trials (RCTs).
- c) Our Media Literacy research team publishes annual reports on adults' and children's media literacy, as well as deep dive analysis on relevant topics.
- d) Our Economics and Analytics team helps us to understand the characteristics of online businesses and their incentives to behave in certain ways, alongside evaluating the impact of services' safety measures.
- e) Our Trust and Safety, Technology Policy, and Data Innovation teams provide technical expertise in assessing current and emerging technologies used by online services.

A list of the research we carry out during the year is available in Annex 1 on pages 152 - 157.



# Financial Review

While Ofcom is directly accountable to Parliament, our funding comes from stakeholders in the sectors we regulate (see Figure 6 on page 53).

Over the past decade, our overall fees have been largely flat in cash terms, meaning that the cost of our regulation has fallen significantly in real terms. Driving cost consciousness and value for money within all our activities continues to be a priority for us. We have had to deliver significant efficiencies, absorbing inflationary pressures through savings including reducing our London footprint and making ICT efficiency investments. This is reflected in Ofcom's ability to hold budgets flat since 2015/16, on a like-for-like basis (with only a one-off inflationary increase provided in 2020/21).

Our responsibilities include the collection and transfer of licence fees collected under the Wireless Telegraphy Act 2006 (WTA), geographic telephone numbers, additional payments from broadcasting licensees and the levying of fines and penalties on stakeholders (all of which are set out in Section 400 accounts and do not form part of our annual accounts).

As a result of this, we are a net contributor to HM Treasury. Ofcom collected £518.5 million of fees and penalties in 2023/24, of which we retained £126.7 million to fund our spectrum management and other relevant duties. The balance was passed to HM Treasury and the Consolidated Funds.

## Financial performance<sup>4</sup>

In 2023/24, our cash outturn of £184.9m was 1.4% lower than our spending cap and budget of £187.6m.

Our budget increased from 2022/23 to 2023/24 by £6.9m, reflecting additional funding for new duties including Online Safety (£5.4m), Telecoms Security Act (£1.0m) and DRCF AI and Digital Hub (£0.6m) with a small reduction to Advertising of products High in Fat Sugar and Salt (£0.1m).

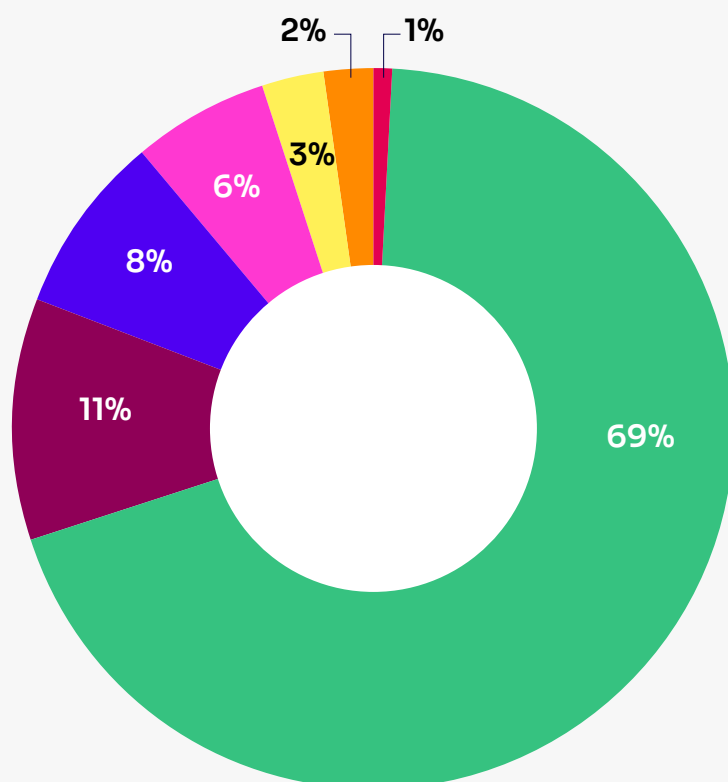
Our budget and spending cap for the existing duties remained flat at £131.9m.

**Figure 5: Budgetary analysis**

	Budget £m	Outturn £m	Variance £m	Variance %
2023/24	187.6	184.9	2.7	1.4%
2022/23	180.7	176.4	4.3	2.4%

<sup>4</sup> The current and prior year outturn in this section can be found in the reconciliation at the bottom of Note 2 on page 121.

## 2023/24 Cash outturn by key spend type (£m)



### Key to Cash outturn

Staff	£127.0	<b>69%</b>
ICT	£20.4	<b>11%</b>
Estate	£14.6	<b>8%</b>
Research and Professional Services	£11.4	<b>6%</b>
Recruitment, training and temp staff	£5.0	<b>3%</b>
Travel and Vehicles	£4.1	<b>2%</b>
Other	£2.4	<b>1%</b>

Costs relating to spectrum clearance and awards do not fall within Ofcom's spending cap and budget, and as such, are reported separately to differentiate from Ofcom's core activities. Further detail on this is set out on page 50.

## Operating income and expenditure

Operating income of £189.0m received in 2023/24 (2022/23: £179.4m) covers Ofcom's core responsibilities (excluding spectrum clearance and awards). See note 3 to the accounts (page 122) for a breakdown of income by the relevant regulated sector.

Sixty nine per cent of operating expenditure relates to staff costs which increased by £19.1m. This is largely driven by the staffing increase relating to our new duties in Online Safety. See note 4 to the accounts (page 123) for details of the total number of people employed at Ofcom and how it has changed between years.

Other operating expenditure in 2023/24 (excluding spectrum clearance and awards) decreased by £4.5m to £62.6m (2022/23 £67.2m). Please see Note 6 to accounts for details relating to other operating expenditure.

The main operating variances from the prior year are due to:

- Professional Services decreased by £2.5m, prior year included one-off work relating to Online Safety preparation and Data Strategy;
- Temporary staff and recruitment costs decreased by £2.1m, with higher utilisation of contractor resource in 2022/23 in preparation for the Online Safety regime;
- Research costs decreased by £1.7m due to one-off project spend in 2022/23, including preparatory work for Online Safety duties and Broadcasting related research;
- Estate costs decreased by £0.5m. Prior year included one-off spend on accessibility upgrades and refitting our estate to support our expanded workforce, in line with our connected working framework;
- Other expenses decreased by £0.5m due to one-off transformation spend in 2022/23; and
- ICT costs increased by £2.6m, driven by investment in systems, (including replacement of Broadcast Monitoring system, Ofcom website, AI Sandbox), and new Online Safety duties.

## Surplus/deficit for financial year

### Over/under recovery of costs

The operating revenue required by Ofcom to fulfil our duties and deliver our programme of work for any financial year is calculated based on Ofcom's statement of charging principles. This approach specifies the actual funds that need to be collected to discharge cash liabilities during the year. Any surplus funds arising from budgetary savings achieved during the financial year are returned to stakeholders through a reduction in the annual tariffs raised in the two following financial years, or a reduction in the WTA receipts retained.

Note 2 of the accounts within Section C of the Annual Report reconciles the total operating expenditure by regulated sector, as presented in the Statement of Comprehensive Income and Expenditure to Ofcom's final operating costs outturn.

The deferred income for the financial year is set out in Note 2 to the accounts and totals £3.3m (2022/23 £2.9m surplus).

### Accounting surplus or deficit

Ofcom receives income from stakeholders and WTA receipts to cover the cash costs of providing those services net of non-operating income. These costs include purchase of non-current assets. In the current year, the non-cash costs of the assets including depreciation and amortisation are higher than this year's non-current asset additions. This has contributed to generating an accounting deficit. Whereas, in the prior year, the additions were higher than the non-cash costs which resulted in an accounting surplus.

The accounting (deficit)/surplus after tax for the year, recorded in the Statement of Income and Expenditure, was £1.1m deficit (2022/23: £3.9m surplus).

## Spectrum clearance and awards programme

All costs relating to spectrum clearance and awards are reported separately from Ofcom's core responsibilities in the financial statements.

We incurred £1.2m expenditure on spectrum clearance this financial year (nil in 2022/23). The temporary mast decommissioning work at Emley Moor re-commenced in 2023/24 and the associated grant payments are due to finish in 2024/25.

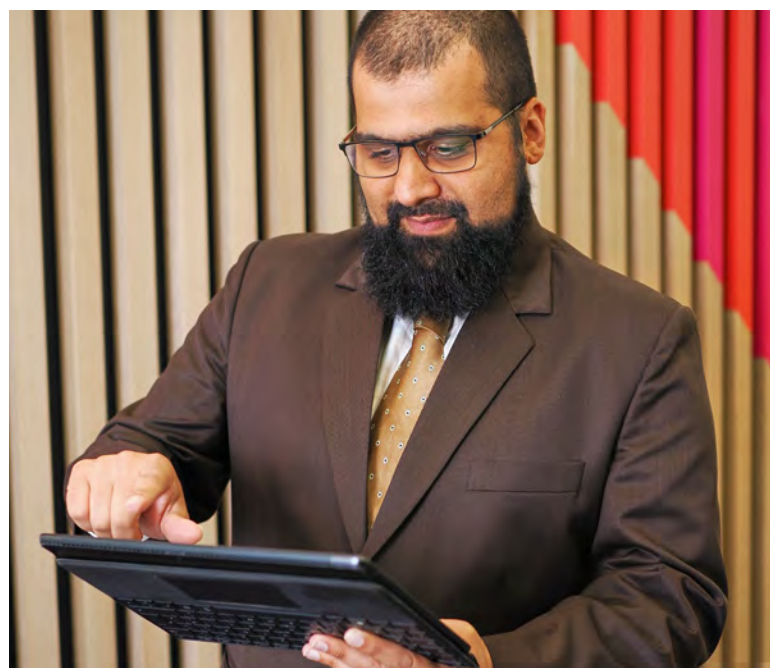
On 1 April 2023 we brought forward £1.4m deferred GIA received in 2021/22. This was used to fund the £1.2m 2023/24 spectrum clearance expenditure, and £0.2m of the grant in aid (GIA) has been re-deferred at year end and is available to fund future year spectrum clearance costs.

## Additional funds collected on behalf of HM Treasury

Under Section 400 of the Communications Act 2003, Ofcom is required to collect fees and payments. Ofcom prepares a separate set of financial statements for these transactions. The Digital Economy Act 2017 introduced legislative amendments which permit Ofcom to retain sums received in connection with its functions under the WTA. Ofcom may retain such sums to fund its general spectrum management functions, as well to meet the costs of undertaking its other functions for which it cannot levy fees and charges.

The remaining revenue collected is passed to the UK Consolidated Fund at HM Treasury, the Department of Finance and Personnel - Northern Ireland (DFPNI) and to the Treasuries of the Isle of Man, the Bailiwick of Jersey and the Bailiwick of Guernsey under Statutory Instrument 1991, Numbers 998, 1710 and 1709 respectively, directly or via the Department for Science, Innovation and Technology (DSIT) as Ofcom's sponsoring body.

The fees, payments and penalties are reported, with further details provided, within these financial statements in Note 24 to the accounts. During the 2023/24 financial year Ofcom collected £518.5m (2022/23: £1,163m) on behalf of HM Treasury. Further details can be found in the S400 Accounts. Ofcom retained £126.7m (2022/23: £112.1m) to fund some of Ofcom's core responsibilities, including Spectrum Management and preparatory work for Online Safety. A total of £353.4m was transferred to Government accounts in the financial year.



During the 2023/24 financial year



**£370m**

Wireless Telegraphy Act payments

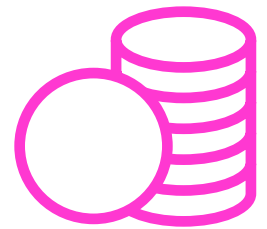
**£139m**

Government fees



**£0.3m**

Additional payments



**£7m**

Financial penalties



**£1.5m**

Geographical numbering

## Pensions

Ofcom provides pension benefits through a defined contribution pension allowance that is available to all colleagues. The allowance may be used to contribute to the Ofcom defined contribution stakeholder pension plan. Colleagues who joined Ofcom from legacy regulators when Ofcom was established were entitled to retain membership of one of two defined benefit (DB) pension plans. Both plans are closed to new entrants and benefits accruals ceased on 31 May 2011. From this time, all existing members were provided with access to the Ofcom defined contribution plan. Notes 1(k) and 20 to the accounts provide further detail.

The actuarial valuations for both schemes as at the last formal valuation date of 31 March 2021, completed every three years, highlighted a combined funding deficit of £0.6m. The Ofcom Defined Benefit Pension Plan actuarial valuation shows a deficit of £0.6m. The formal valuation dated 31 March 2024 is due to be completed by the end of June 2025. The Ofcom (Former ITC) pension plan valuation liabilities have all been bought in and therefore there is no surplus or deficit.

The defined pension scheme surplus of £10.6m and other balance sheet numbers in the accounts are prepared under International Accounting Standard (IAS 19). This is an accounting, rather than actuarial, valuation and is prepared on a different basis.

A key difference is that the liabilities are discounted in line with the yields on high-quality bonds which, under current market conditions, differ significantly from the approach used for determining Ofcom's contributions. This also reflects the significant movements in financial markets since the date of the actuarial valuations in March 2021.

Ofcom makes cash payments to the Ofcom Defined Benefit Plan and the Ofcom (Former ITC) pension plan on the basis of the actuarial valuations. Cash payments, rather than the amount charged to operating surplus as calculated under IAS 19, are included in operating expenditure outturn used to calculate the tariffs charged to stakeholders each year.

As a consequence of the risk mitigation work between Ofcom and the trustees and actuaries of both pension plans, approximately 80% of the plans' liabilities are backed by annuities. As part of the ongoing activity to manage and mitigate risks of the plans, further insurance-backed benefit buy-ins in respect of pensioner members will be considered in the future. A buy-in refers to an insurance policy purchased in the name of the trustee and held as an asset within the scheme. Ofcom will continue to manage the administration and ongoing payments to members. Additionally, Ofcom determines which liabilities and benefits should be included in the buy-in.





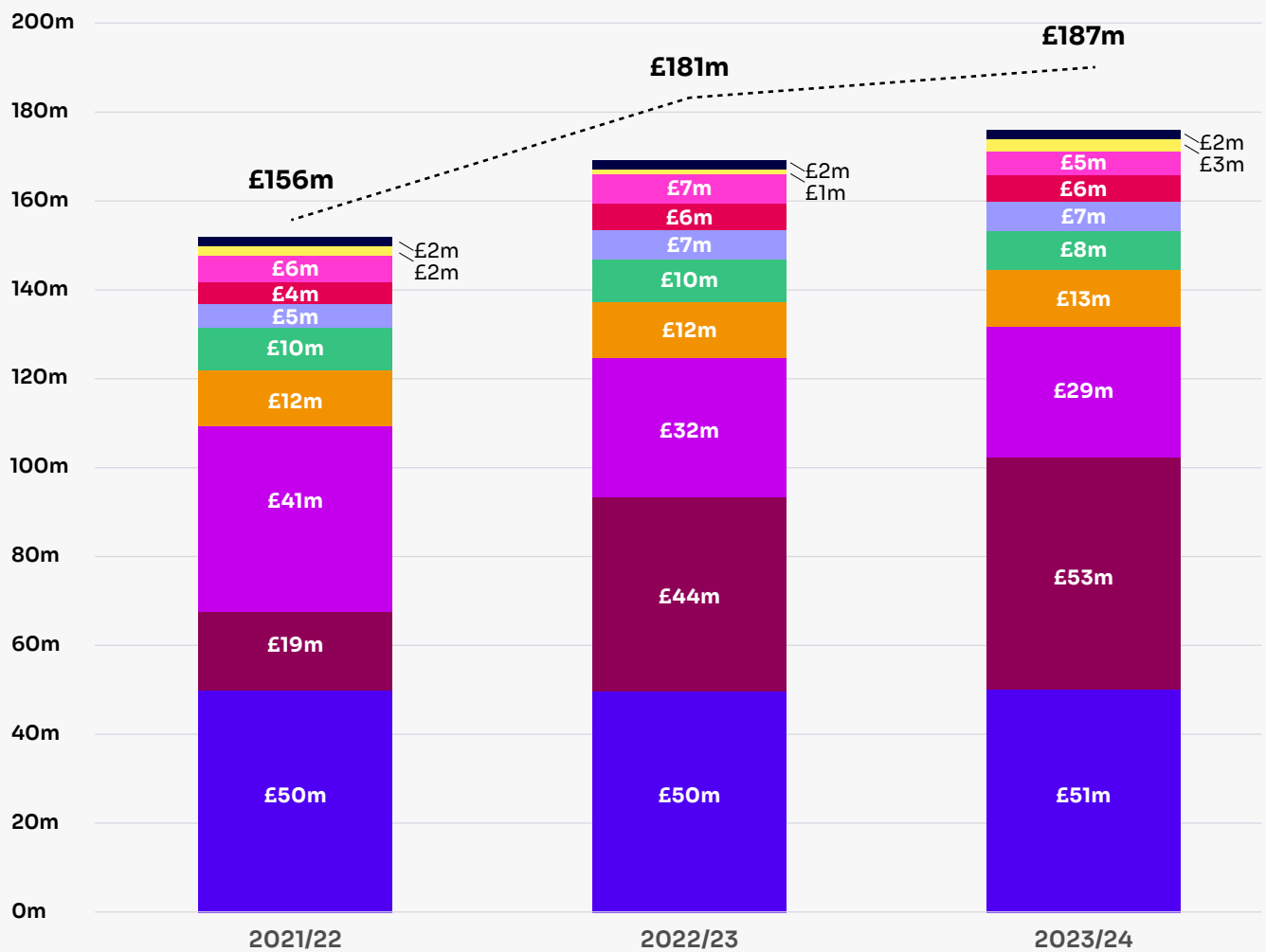
## Tariffs

Ofcom published the 2023/24 tariff tables on 28 March 2023. Ofcom’s core budget remains at the same level as the previous financial year, £131.9m. The overall spending cap was increased further by £55.7m to incorporate preparatory work for our new regulatory duties i.e. Online Safety and Telecommunications (Security) Act. These activities were funded by the retention of Wireless Telegraphy Act (WTA) receipts and not stakeholder income.

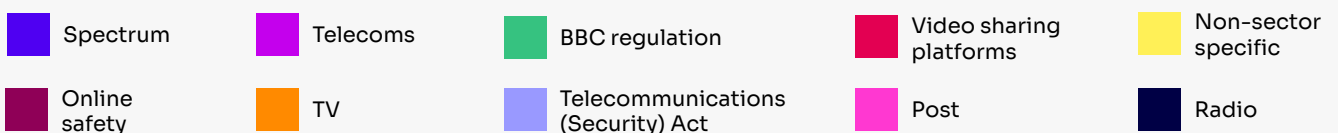
Further details can be found in the [2023/24 tariff tables](#) on our website.

As shown in Figure 6 below, except for costs associated with our new responsibilities and the Telecoms sector, the overall tariffs for each regulatory sector are broadly in line with the three-year average.

**Figure 6: Three-year sector view of funding**



The difference between the budget and funding requirement in each financial year in the chart above, represent prior year adjustments which are incorporated in our fees.





**Our budget increased from  
2022/23 to 2023/24 by**

**£6.9m**

reflecting additional funding for  
new duties including Online Safety,  
Telecoms Security Act and  
DRCF AI and Digital Hub.

# Corporate Responsibility

## Ofcom's commitment to corporate responsibility

We are stronger as an organisation when we are connected to the communities in which we work. We also seek to reduce the environmental impact of our operations.

### To achieve this:

- We are committed to helping reduce the UK's overall carbon emissions and we adopt and promote sustainable practices wherever we can.
- We work closely with schools and institutions to explain our work and the opportunities on offer at Ofcom, as well as offering highly sought-after graduate and apprenticeship programmes.
- We act to build closer links with local communities in the cities in which we have our main offices - London, Manchester, Edinburgh, Cardiff and Belfast.

## Environmental policy

Ofcom recognises that we are in challenging times for our global environment. We all have a part to play in addressing threats to our planet's natural systems and biodiversity. Ofcom is committed to assessing, understanding, and improving our environmental performance. As part of this commitment, we have developed, implemented, and continue to maintain a compliant ISO 14001:2015 Environmental Management System (EMS) helping us take a more systematic approach to improving our environmental performance.

## Schools and institutions

As well as offering regular work experience placements at Ofcom, we continued our school outreach work in 2023/24, reaching students from 10 schools with a specialist social mobility organisation to help us identify, coach and support young people in taking the first step in their career, including applying for our apprenticeship programmes. We are also preparing to support 10 students from lower-income households to take part in EY Foundation's Smart Futures paid work experience programme in April 2024. The programme gives young people the opportunities, experiences, and support to help them gain a variety of transferable skills that will give them a head start in their career in our industry.

In Edinburgh we have launched a partnership in Scotland with a not-for-profit social enterprise, which helps to remove barriers for those looking to enter employment. Its employment partners work with candidates to support applications and we promote all of Ofcom's live Edinburgh roles with them.

In Manchester, our most recently-opened location, we have created significant new employment opportunities in the north west region, growing our headcount to over 115 colleagues. Our new team has undertaken a number of locally-led initiatives including supporting a nearby food bank with seasonal campaigns, joining tech-industry networking events, and developing our partnership with Manchester Digital. The latter includes our participation in the 'Digital Her' campaign. Ofcom colleagues have registered as role models to help inspire and empower girls and women to consider a career in technology.

We partnered with Evenbreak (award-winning job advertisement and career support services for disabled people) in November 2023 to create a more inclusive and equitable working environment for disabled people within the communications industry. We also launched a partnership with JobOppo in January 2024 to support ex-military personnel back into employment.

Additional community partnerships include the Growth company and Northwest Strategic Migration Partnership – designed to remove barriers to employment in our regional offices.

## Graduates

Ofcom's graduate programme has an annual intake of graduates, with 34 entrants joining us in September 2023 – our largest ever cohort. Working with a specialist graduate recruitment organisation, we were able to recruit high calibre graduates from diverse backgrounds. Our graduate programme offers a choice of pathways including policy, technology, cyber security, spectrum, economics, data science and statistics. Graduates can develop a broad range of technical and behavioural skills in their chosen area, building on the knowledge and skills they already have.

## Apprenticeships and internships

### Apprenticeships

We continued our strategic partnership with Visionpath to deliver an end-to-end early careers programme targeted at socially disadvantaged young people. In April 2023 we hosted an assessment centre for 35 students from 23 schools with an aim to fulfil 24 apprentice roles across data, legal, economics, cyber, enforcement and policy. The outcomes were successful and in September we enrolled 24 new apprentices – our largest ever cohort – onto eight different apprenticeship standards from level 4 through to level 6.

In October, we launched the programme for the third year, with outreach in 10 schools where we engaged with over 200 students from lower socioeconomic backgrounds. As part of this programme, we delivered two-day skills bootcamps to build workplace skills and help our candidates identify and harness their strengths. Each candidate had a mentor at Ofcom for three months to help them make informed choices about their career, with skills to support their success at Ofcom or elsewhere. From this programme of work, we are aiming to recruit a minimum of four policy apprentices who will join us in September 2024.

As well as school leaver apprentices, we have a number of existing colleagues enrolled onto apprenticeships to gain additional skills such as professional qualifications from CIMA (accountancy) and CIPD (People Profession or HR) to Senior Leaders MBA.

### Internships

Our Legal team partnered with UCL's 'Careers Extra' programme to host three students for paid work experience in September 2023. This programme supports UCL undergraduate students from under-represented groups.

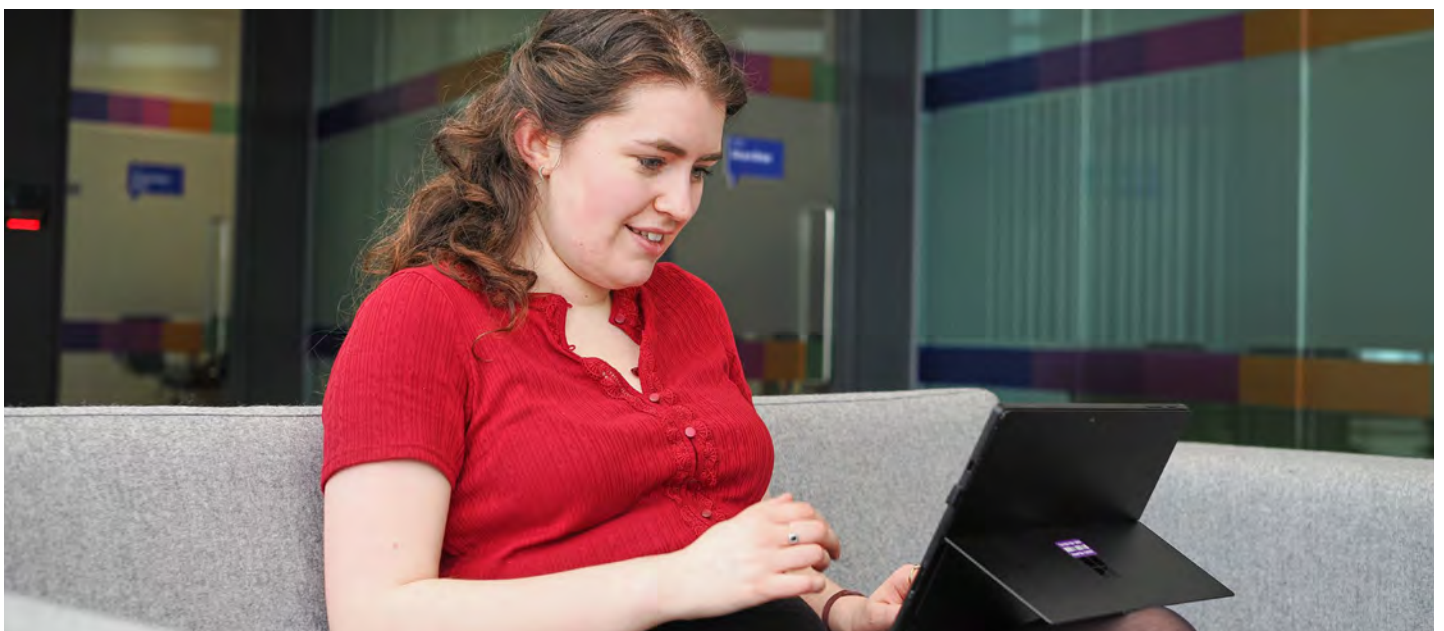
In 2023, we were proud to take part in the 10,000 Black Interns programme for the second year. The initiative seeks to offer 10,000 internships to young Black people, involving more than 700 companies. We offered 22 students from this programme an eight-week paid summer internship at Ofcom as well as an additional three internships in economics. During the programme interns are supported to apply for permanent positions, and two of our 2022 interns have subsequently joined our graduate programme.

### Volunteering

Our volunteering leave enables colleagues to volunteer in a variety of different ways including working as magistrates, supporting young people in academic settings, and community volunteering, for example as trustees or scout leaders.

### Modern slavery

Ofcom is committed to continually improving our policies and practices to play our part in tackling the serious issue of modern slavery. We do not tolerate slavery or human trafficking in our business or supply chains. We assess our contracts to identify risks and, if any are found, we will work with our suppliers to monitor and manage them effectively. We publish an annual modern slavery statement to demonstrate how we deliver against these commitments.



# Sustainability Report

## Reporting on our emissions for 2023/24

**In line with the Greening Government Commitments 2021-2025 (GGC), Ofcom is committed to reducing the impact of our operations on the environment.**

Ofcom recognises the importance of climate-related risks and opportunities and we are committed to transparently disclosing how climate considerations are integrated into our governance processes. We have reported on climate-related financial disclosures consistent with HM Treasury's Task Force on Climate-related Financial Disclosure (TCFD)-aligned disclosure application guidance which interprets and adapts the framework for the UK public sector. We have complied with the TCFD recommendations and recommendations disclosures around:

- governance (all recommended disclosures); and
- metrics and targets (disclosures (b)).

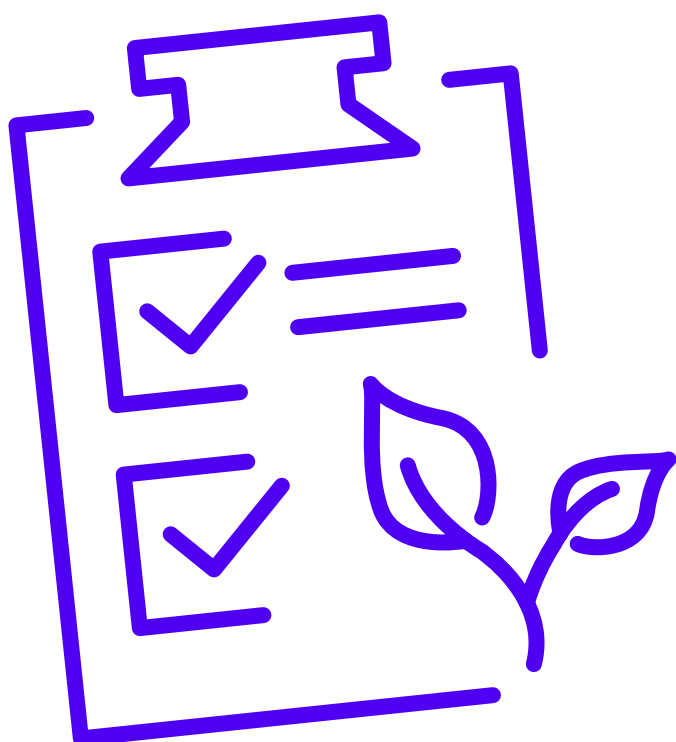
This is in line with the central government's TCFD-aligned disclosure implementation timetable. We plan to make disclosures for strategy, risk management and metrics and targets in future reporting periods in line with the central government implementation timetable.

Ownership of and responsibility for climate and sustainability considerations are currently performed at executive level by the Health, Safety and Environmental Committee (HSEC) and Operations Board. The HSEC and Operations Board review the ISO 14001:2015 accredited Environmental Management System (EMS) which sets out Ofcom's environmental performance, including changes in carbon emissions, waste, and water usage. Going forward, the Risk and Audit Committee, with input from the HSEC, will consider and approve our environmental targets annually and monitor progress on those targets.

As part of our business planning process, appropriate consideration to the risks and opportunities relating to climate and sustainability is given and reflected (where relevant) in our plan of work proposals. When considering risks to Ofcom strategy, we will set out whether or to what extent there are climate-related or sustainability-related risks.

We have adopted the Greening Government Commitments, which have challenging sustainability targets. In 2023/24, our overall CO<sub>2</sub> emissions reduced by 33% compared to the 2017/18 baseline, despite an increase in headcount by two-thirds driven by additional regulatory duties over the same period. However, the CO<sub>2</sub> emissions per FTE, on a like-for-like basis, reduced by 60% compared to 2017/18 baseline, as shown in the table below.

Ofcom	2017/18	2023/24	% change
tCO <sub>2</sub> e	1,728	1,162	<b>(33%)</b>
FTE	893	1,483	<b>(66%)</b>
tCO <sub>2</sub> e per FTE	1.93	0.78	<b>(60%)</b>



We haven't reduced our overall emission at the GGC target rate of 58%; this is primarily because Ofcom has transformed in terms of scope and duties over the six-year period. In line with our location strategy, we have 8% more people in our national and regional offices compared to six years ago, increasing domestic travel. Furthermore, setting up new regimes including Telecommunication Security and Online Safety requires increased international travel as the companies

regulated under these legislations are largely based outside the UK.

Our progress against the targets for 2023/24 is shown below. We are pleased to report that our carbon emissions from estate energy use and fuel (scope 1 and 2) reduced by 63%, meeting our target for the year. Our full sustainability data is included in Annex 6 to this report.

### GGC metrics table

		Target	2023/24 progress
<b>Mitigating climate change:</b> working towards net zero by 2050	<b>Headline target:</b> Overall emission reduction target	58%	33%
	<b>Headline target:</b> Direct emission reduction target (scope 1 only)	33%	63%
	<b>Sub-target:</b> government car fleet to be ultra-low emission vehicles (ULEV) by 31 December 2022	25%	7%
	<b>Sub-target:</b> government car and van fleet to be fully zero emissions at the tailpipe by 31 December 2027	100%	It is not currently feasible for Ofcom to have a fully zero emissions at the tailpipe fleet.
	<b>Sub-target:</b> Reduce the emissions from domestic business flights	30%	0.3%
	<b>Sub-target:</b> report the distance travelled by international business flights		This is reported through the Annex 7 to this report.
<b>Minimising waste and promoting resource efficiency</b> (across all Ofcom locations)	<b>Headline target:</b> Reduce the overall amount of waste generated		22%
	<b>Sub-target:</b> Reduce the amount of waste going to landfill to less than 5% of overall waste	5%	100%
	<b>Sub-target:</b> Increase the proportion of waste which is recycled to at least 70% of overall waste	70%	39%
	<b>Sub-target:</b> Remove consumer single use plastic (CSUP)		Ofcom has removed single use coffee cups and cutlery and replaced with reusable mugs and cutlery.
	<b>Sub-target:</b> Measure and report on food waste by 2022, for estates with over 50 FTE and or over 500m2 floor area offering a food service		Food waste is measured at Riverside House. Food caddies are provided in each office.
	<b>Sub-target:</b> Reduce government's paper use by at least	50%	95%
<b>Reducing our water use</b> (across all Ofcom locations)	<b>Headline target:</b> Reduce water consumption	8%	-1%
	<b>Sub-target:</b> Ensure all water consumption is measured		It is only possible to measure Ofcom water usage at the sites that are not landlord-operated.

## Reporting on sustainability in the future

Since 2007, Ofcom has continually reduced the carbon footprint of the activities with the most significant impact on the environment. We are now working to put in place a formal accreditation framework, including an environmental policy, enhancing our reporting across our seven sites, and raising the visibility of the sustainability work across the organisation.

As a public organisation, we want to lead by example. We continue to adhere to ISO14001: 2015 accreditation for Environmental Management System, helping us take a more systematic approach to improving our environmental performance and calculating our environmental footprint, enabling us to identify opportunities to improve.

### We continue to:



**Follow the agreed Environmental Policy**, demonstrating our commitment to improving Ofcom’s environmental performance.



**Follow Plan-Do-Check-Act cycle**, which is at the heart of all ISO management system standards, to improve all our systems, procedures and processes.



**Identify the environmental aspects<sup>3</sup> of our activities which we can control and influence** and their potential impacts on the environment.



**Determine how all relevant legislation and requirements relate to these aspects.** By working within this framework, we assessed the things that worked well, while refining the ones that we need to improve on.



**Establish measurable objectives and targets consistent with the objectives of our policy.**



**Determine clear planning actions to meet our objectives** and ensure that we are compliant with all our obligations.



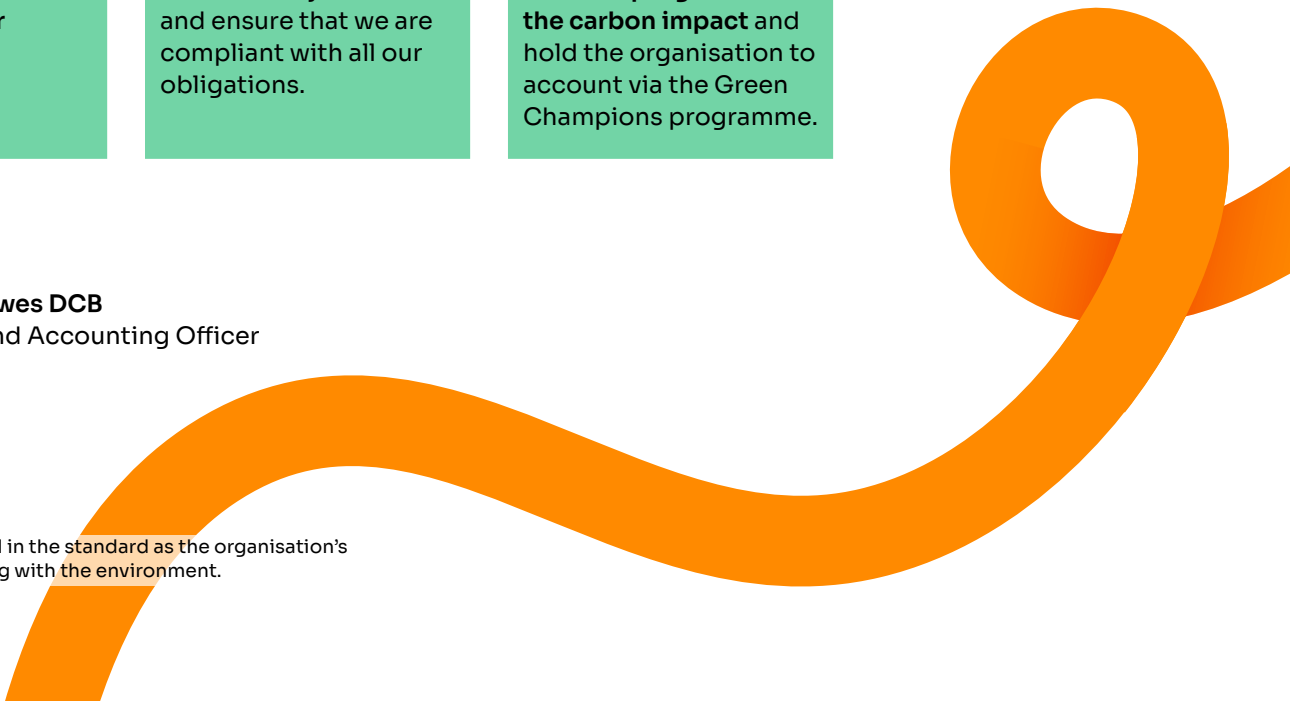
**Empower colleagues to contribute to Ofcom’s progress on the carbon impact** and hold the organisation to account via the Green Champions programme.

*Melanie Dawes*

**Dame Melanie Dawes DCB**  
Chief Executive and Accounting Officer

25 July 2024

<sup>3</sup> Aspects are defined in the standard as the organisation’s activities interacting with the environment.





# ACCOUNTABILITY REPORT

SECTION

**B**



# Governance

## Governance overview, by Lord Grade of Yarmouth, Chairman

I am pleased to present our corporate governance report for 2023/24, having completed just over two years as Chair of Ofcom. This report details how Ofcom approaches governance, including the operation of the Board and the Board Committees.

Ofcom is now coming to the end of its first Three-Year Plan. The Three-Year Plan underpins Ofcom's approach to operational matters, including budgeting, and also informs policy priorities and the creation of each annual Plan of Work. The Board is now turning its attention to the development of the second Three-Year Plan.

This year saw the Online Safety Bill achieve Royal Assent and Ofcom begin to take on its formal powers as an online safety regulator. The first three consultations under the new Act have been reviewed by the Board and we are actively monitoring the progress of these and other developments in online safety regulation.

We also continued to focus on effective regulation for consumers and how to support telecoms customers affected by the high cost of living, as well as monitoring how competition in the telecoms market leads to benefits for customers. We have sought to ensure there is a healthy media environment that delivers for viewers and listeners, and we reviewed Ofcom's consultation on the Royal Mail Universal Service Obligation, which was prompted by changes in the postal market.

As well as continuing to provide independent oversight of this work, the Board champions Ofcom's own independence – a vital aspect of our regulation – as well as our rightful accountability, both to the judiciary and Parliament. This year, for example, Melanie Dawes and I gave evidence to the House of Lords Communications and Digital Committee in a one-off scrutiny session examining Ofcom's work.

We regulate for all of the UK and its nations, and the Board continued its tradition of visiting Northern Ireland, Scotland or Wales each year for a stakeholder event and Board meeting. This year the Board visited Cardiff and took the opportunity to visit ITV Cymru, as well as meeting with industry stakeholders from across Wales at an informal reception.

The Board held a workshop on Generative AI and received briefings on a range of subjects during the year to further understand the new and evolving nature of the industries we regulate. Our annual Board strategy day also gave us the opportunity to conduct horizon-scanning and the implications for Ofcom's strategy and priorities and to hear from experts in the field of AI.

Board members attended eight informal lunches with colleagues from across Ofcom during the course of this year. Board members value the opportunity this gives us to increase our understanding of Ofcom's culture and how our teams are delivering our programme of work.

Governance continues to be a high priority in Ofcom and a review of Governance arrangements was undertaken during the year. The review built on strong foundations and identified opportunities to become more agile through streamlining our finance approvals processes. It also introduced specific delegations for individuals working on compliance with Welsh language standards, clarified delegations relating to Adjudicators appointed by Ofcom and incorporated delegations for Directors dealing with second stage enforcement decisions.

Each year, our People Committee reviews the structure, size and composition (including the skills, knowledge, experience and diversity) of our Board and makes recommendations about the role descriptions for non-executive appointments linked to this. Expertise in online safety is a clear requirement given Ofcom's new regulatory duties.

I am pleased to welcome Sir Clive Jones, who was appointed by the Welsh Government as the Ofcom Board Member for Wales in February 2024. Clive brings extensive experience in commercial broadcasting, including senior positions with ITV, Carlton and Central, as well as a period on the Board of S4C and its commercial arm, both of which will provide helpful context following his appointment as Chair of Ofcom's Content Board.

At the start of the year, Kevin Bakhurst, Group Director for Broadcasting and Online Safety, resigned from the Board to pursue his career as Director General of RTÉ. I would like to thank Kevin for his work in preparing Ofcom for its new online safety responsibilities.

Two non-executive Board members reached the end of their terms in January 2024. David Jones, the Ofcom Board member for Wales, represented the views and concerns of his nation on a wide range of topics with clarity and purpose. Maggie Carver, who was Interim Chair of Ofcom from January 2021 to April 2022 and latterly the Chair of the Content Board, provided valuable insight in many areas but particularly on the broadcasting industry. I would like to thank them both for their significant contributions to the work of Ofcom.

I am grateful to Dame Melanie Dawes, the Board, Senior Management and all colleagues for their support in my role as Chair.

**Lord Grade, Chair**

# Governance Statement

This Governance Statement summarises Ofcom’s governance arrangements, including the composition of our Board, how our governance framework operates in practice (including our governance structure and Board roles and responsibilities) and our main areas of focus in 2023/24.

## Our governance

As a statutory corporation, Ofcom’s principal governance compliance requirements are governed by the relevant legislation (namely, the Office of Communications Act (2002), the Communications Act (2003), the Postal Services Act (2011), the Digital Economy Act (2017), the Telecommunications (Security) Act (2021), the Online Safety Act (2023) and any other relevant supplementary legislation or Orders there to) which determines matters such as the purposes of the organisation and the appointment of our Members.

Ofcom’s Board Members are also subject to the **Code of Conduct for Board Members of Public Bodies**. Our overall corporate governance approach is informed, but not bound by the **2018 UK Corporate Governance Code** (“the UK Code”) and its related guidance, subject to where certain principles are considered to be disproportionate or less relevant in Ofcom’s case and / or there are other requirements placed on Ofcom by statute.

## How our approach is informed by the 2018 UK corporate governance code

Examples of how our approach has been informed by certain principles of the UK Code include:

### Board leadership and purpose

Our Board has a clear purpose, values and strategy and is able to satisfy itself that these and its culture are aligned. Our Board, which is made up of a majority of Non-Executive Members, provides independent thinking and objective challenge to how we deliver our strategic aims.

### Division of responsibilities

The Chair of our Board provides strategic leadership of the Board. Our Non-Executive Members are independent of management and free of any business or other relationship which could materially interfere with them exercising their judgement. However, should special circumstances arise, appropriate action is taken to ensure that independence is maintained.

### Composition, succession and evaluation

Appointments to our Board are made in line with the UK’s public appointments processes, with our Chair and most Non-Executive Members appointed by the Secretary of State of the Department for Science, Innovation and

Technology (DSIT), and three Non-Executives appointment by the Scottish Parliament, Welsh Parliament and Northern Ireland Assembly. As new Members are appointed to the Board, we will be actively working with the Department for Science, Innovation and Technology (DSIT) and the devolved Governments to increase our Board’s diversity. Our People Committee seeks to ensure that we have effective succession plans in place and that we properly identify and manage our talent pipeline.

### Audit, risk and internal control

Our Risk and Audit Committee oversees the structures and processes in place to manage our risks and ensure that appropriate controls are in place.

### Remuneration

Our Remuneration Report sets out how we ensure that our remuneration policies and practices support our strategic aims and that the remuneration we pay to staff supports Ofcom’s ability to deliver for citizens and consumers.

## Our Board: activities and purpose

The Board is responsible for setting the strategic direction and risk appetite of the organisation and is the ultimate decision-making body for matters of Ofcom-wide strategic, regulatory or reputational significance. Effective governance facilitates the delivery of Ofcom's purpose and strategy and is particularly vital as Ofcom's remit grows. The Board is committed, through its governance framework, to appropriate decision-making at the correct level within Ofcom and to making sure there is accountability, long term value and how we fulfil our purpose of furthering the interests of citizens and consumers. The Board has adopted and implemented a bespoke Corporate Governance Framework which contains a statement of governance principles that guide the activities of the Board. This covers key responsibilities of the Board and matters reserved for the Board's decision and includes the following:

- approval of Ofcom's Plan of Work, long-term objectives and overall strategic policy framework;
- approval of Ofcom's annual budget, overall financial policy and Financial Authorities Framework;
- approval of Ofcom's annual report and accounts;
- risk management, internal controls and compliance; and
- undertaking a formal regular review of the Board's own performance and that of Board Committees and individual Members.

## Board appointments

The Chair and the majority of the Non-Executive Members of the Board are appointed by the Secretary of State for DSIT, for periods of four years. The Scotland Member, the Wales Member and the Northern Ireland Member are appointed by Scottish Ministers, the Welsh Government and the Department for the Economy respectively, following consultation with the Secretary of State. Where Board members with specific broadcasting experience are sought, the Secretary of State for DSIT delegates responsibility for appointing that member to the Secretary of State for DCMS.

Executive Members of the Board are appointed by the Chair and the Non-Executive Members of the Ofcom Board, with the Chief Executive's appointment requiring approval by the Secretary of State for DSIT. We recognise that the composition of the Board is not representative of the UK population. We are working with DSIT and the devolved Governments to align future recruitment with our strategic commitment to be a diverse and inclusive organisation. Having a Board that is representative of the different perspectives within our society will allow us to make the best decisions for all UK citizens and consumers. Efforts are also ongoing to further complement the current range of skills on the Board to take account of our new regulatory duties.



# Board roles

## The Chair

The Chair of the Board is responsible for chairing and providing leadership of the Board. Other responsibilities include:

- leading the Board in formulating Ofcom's strategy for discharging our statutory duties;
- encouraging high standards of propriety;
- providing an assessment of the performance of individual Board Members;
- ensuring the Ofcom Board meets regularly throughout the year and that minutes of meetings accurately record decisions taken; and
- representing the views of Ofcom externally.

## Non-Executive Board members

Our Board has a majority of Non-Executive Board Members, all of whom bring extensive skills and experience to the Board. This ensures a good balance of skills is available to Ofcom in discharging our duties and responsibilities, in addition to establishing the policy and strategic direction including the resourcing framework for the operation of Ofcom.

## The Chief Executive

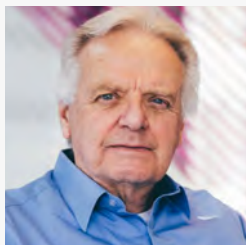
The Board has delegated responsibility for the day-to-day running of Ofcom to the Chief Executive and her team. The Policy and Management Board (PMB) has been set up to act as the executive committee for the management of the organisation and the performance of its regulatory functions, and consists of the CEO, Group Directors, and the Directors for Finance and People and Culture. PMB ensures that the strategy, policies and behaviours set at Board level are effectively communicated and implemented across Ofcom. The wider Senior Management Team plays a broader day-to-day leadership role across the organisation.

The Permanent Secretary for DSIT has designated the Chief Executive as Ofcom's Accounting Officer. This appointment carries duties of responsibility in respect of regularity, propriety, value for money and good financial management, and the safeguarding of public funds. The Chief Executive has specific responsibilities for ensuring compliance with the terms of the Framework Document with DSIT. She must also ensure that proper accounting records are maintained, and she must sign the accounts.

As a Member of the Board, the Chief Executive has to ensure that her accountability responsibilities do not conflict with her responsibilities as a Board Member. The Chief Executive may be called upon by the Committee of Public Accounts and other Parliamentary Committees to give evidence on the discharging of her duties.



# Board members



## Lord Grade of Yarmouth, CBE

**Chair and Non-Executive Board Member**  
**People Committee Member**

**Appointed to the Ofcom Board as Chair on 1 May 2022**

Michael Grade has had a long career in broadcasting, encompassing London Weekend Television, the BBC, ITV and Channel 4. He has chaired the BBC, ITV and Pinewood/Shepperton Film Studios. He is co-founder of the GradeLinnit company, which produces for the theatre.

**Tenure** 2 years

### Membership



He is Chairman of the Arora Group's Heathrow Expansion Advisory Board, having also been Chairman of Ocado, First Leisure Corporation, Camelot, the Charity Fundraising Regulator and Bradford's Media Museum as well as being a member of the former Press Complaints Commission and a trustee of the Science Museum.

Michael Grade sits in the House of Lords as a non-affiliated Peer. His Peerage was created in January 2011.



## Karen Baxter

**Non-Executive Board Member (Board Member for Northern Ireland)**  
**Risk & Audit Committee Member**

**Appointed to the Ofcom Board on 28 March 2022**

Karen has a distinguished 30-year policing career, retiring as Commander from the City of London Police in 2020. She commenced her service as an officer in Northern Ireland and has extensive experience across a wide range of complex investigations including safeguarding, homicide, counter-terrorism, serious and organised crime. As a result, she has a strong understanding of the unique needs of communities living in Northern Ireland.

**Tenure** 2 years

### Membership



As a Commander at the City of London Police she was the National Coordinator for Policing Economic Crime and held the portfolio for Cyber Crime Prevention.

In 2020 Karen joined UK Finance as Managing Director for Intelligence Strategy reviewing the use of intelligence and threat of online harm across the financial sector. In September 2022 Karen joined the Financial Conduct Authority (FCA) as Director of Enforcement, Intelligence & Support Services.



### Dr Angela Dean

**Non-Executive Board Member & Chair of the Risk & Audit Committee, and People Committee Member**

**Appointed to the Ofcom Board on 30 September 2018**

Angela is currently a trustee of York Museums Trust and Chair of its Capital Projects Board. She is a Senior Independent Panel Member for Public Appointments. She has been non-executive director of a number of not-for-profit organisations including Chair of International House Trust, Vice Chair of the Council of King's College London, trustee of the National Lottery Heritage Fund and a member of the Museums, Archives and Libraries Council. Angela's executive career was in international finance, mainly as a Managing Director of Morgan Stanley where she headed its global technology research team. She was a member of the Working Group of the United Nations Global Compact for corporate social responsibility issues in investment.

**Tenure** 5 years

**Membership**



### Bob Downes

**Non-Executive Board Member (Board Member for Scotland), Content Board Member and People Committee Member**

**Appointed to the Ofcom Board on 1 February 2018; Re-appointed on 1 February 2022**

Bob was Chairman of the Scottish Environment Protection Agency until 2023. He chairs the Commission for Communications Regulation's Independent Oversight Body, which oversees the implementation and operation of an enhanced Regulatory Governance Model in Ireland by Eir. Bob is an advisor to a number of small technology businesses, including Kube Networks in Glasgow. He has a background in telecommunications, arts and culture organisations and with business and technology universities.

**Tenure** 6 years

**Membership**



### Will Harding

**Non-Executive Board Member, Risk & Audit Committee Member**

**Appointed to the Ofcom Board on 3 October 2022**

Will has almost 30 years' experience in the media industry. He spent five years at BBC Worldwide, then helped to launch ask.com in the UK before becoming Commercial and Operations Director of Sky's new media business. He joined GCap Media plc in 2006 as Group Strategy Director and later became Chief Strategy Officer and Board Member at Global Media & Entertainment Ltd, where he established the Global Academy, a state school for young people from all backgrounds wanting to start a career in the creative industries. Will stood down from the Global board in December 2020. He is a Non-Executive Director of Primedia, the leading Africa-focused media and advertising group, and a Trustee of the Baker Dearing Educational Trust.

**Tenure** 2 years

**Membership**





## Clive Jones

**Non-Executive Board Member (Board Member for Wales), Chair of the Content Board, Chair of the Election Committee**

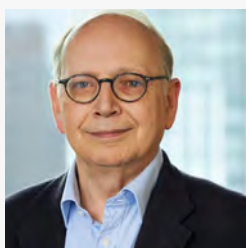
**Appointed to the Ofcom Board on 12 February 2024**

Born and brought up in the South Wales Valleys, Clive Jones spent most of his working life at ITV as a journalist, producer and editor with YTV and TV-AM and later as CEO of both Central Television and the Carlton Television Group. He also served as Managing Director of the ITV Network and was the first CEO of ITV News and Regions, following the creation of ITV plc. He trained as a journalist with the Yorkshire Post after graduating from the LSE.

Clive chairs Sightsavers, the UK's sight loss charity, the Runnymede Trust, the race equality think tank, and is the Ombudsman for the National Council for the Training of Journalists. He chaired the Disasters Emergency Committee, was on the board of S4C and its commercial arm S4C Masnachol for six years and is a former chair of both the Wales IP Fund and National Theatre Wales.

**Tenure** <1 year

**Membership**



## Ben Verwaayen

**Non-Executive Board Member & Chair of the People Committee**

**Appointed to the Ofcom Board on 1 January 2016, Re-appointed on 1 January 2020**

Ben is currently a General Partner at investment fund Keen Venture Partners and holds various Board positions, including at Akamai in the US and Renewi Ltd, a major player in the circular economy in the BeNeLux and the UK. He is a former Chief Executive of BT, KPN in the Netherlands, and Alcatel Lucent. He has also served as a Chairman of Endemol, and as a Board Member of AkzoNobel in the Netherlands and of the mobile operator Bharti Airtel in India.

**Tenure** 8 years

**Membership**



# Executive Board members



**Tenure** 3 years

## **Dame Melanie Dawes**

**Executive Board Member & Chief Executive**

**Appointed to the Ofcom Board in March 2020**

Prior to joining Ofcom, Melanie was Permanent Secretary at the Ministry of Housing, Communities and Local Government from 2015. She has held a range of senior roles across the Civil Service, working in partnership across the public and private sector, including as Champion for Civil Service Diversity and Inclusion.

She started her career as an economist and spent 15 years at the Treasury, including as Europe Director between 2002 and 2006. She was Director General of the Economic and Domestic Affairs Secretariat at the Cabinet Office between 2011 and 2015, and prior to that she served on the Board of HMRC. As Director General for Business Tax she had responsibility for all the business taxes and duties alongside leadership of the department's relationships with the largest companies.

Melanie has held various non-executive roles including with the consumer body Which? and the Patchwork Foundation, which helps under-represented young people get involved in democracy.



**Tenure** 3 years

## **Lindsey Fussell**

**Executive Board Member & Group Director for Networks and Communications**

**Appointed to the Ofcom Board in December 2020**

Lindsey Fussell joined in Ofcom in 2016 and is Group Director for Networks and Communications, leading Ofcom's work in the telecoms and postal sectors, where we aim to protect consumers' interests, promote competition and ensure that networks are secure and resilient. She was appointed to the Ofcom Board in December 2020.

Before joining Ofcom, Lindsey held a range of senior leadership roles in the Civil Service. She was Public Services Director at HM Treasury, where she led on devolution, education and culture, defence and criminal justice, and was responsible for delivering key aspects of the 2013 and 2015 Spending Reviews. She is a non-executive director (Sufficiently Independent Director) for NGED, National Grid's electricity distribution network for Wales, the South West and the Midlands.



## Members who left during the year



**Tenure** 3 years

### Kevin Bakhurst

**Executive Board Member & Group Director for Broadcasting and Media**

**Appointed to the Ofcom Board in April 2020. Resigned from the Ofcom Board on 19 April 2023**

Kevin joined Ofcom in October 2016 and was Group Director for Broadcasting and Media, overseeing our broadcast and media regulation and policy. From 2018–23, Kevin led the strategic planning and recruitment of Ofcom's Online Safety team. Prior to joining Ofcom, Kevin was Managing Director, News and Current Affairs, Deputy Director General, and then Acting Director General with Ireland's national broadcaster, RTÉ. After graduation, Kevin worked at Price Waterhouse before joining the BBC in 1989. He went on to edit the Ten O'Clock News, becoming Deputy Head of the BBC Newsroom and Controller of the BBC News channel and BBC News at One. He is currently Director General of RTÉ.

Kevin Bakhurst resigned from the Ofcom Board on 19 April 2023.



**Tenure** 4 years

### Membership



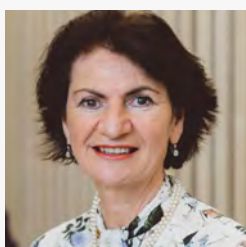
### David Jones

**Non-Executive Board Member (Board Member for Wales), Risk and Audit Committee Member and People Committee Member**

**Appointed to the Ofcom Board on 8 April 2019. Term ended on 7 January 2024**

David is a technology and cybersecurity expert with vast experience in the fields of regulation and public sector governance. He spent a decade as Chief Technology Officer for a European airline and large leisure group, then founded and grew a successful travel software business, which he later sold. David then spent a decade as an angel investor, consultant and mentor to several tech businesses. He regularly lectures on cyber-security for institutions and was the joint founder of the cyber-security software business Enclave. He is the Chair of the DVLA and a Non-Executive Director for Ofwat. Aside from cyber-security, his areas of specialism are the strategic impact of technology across the wider economy, including the public and private sectors.

David Jones's term ended on 7 January 2024.



**Tenure** 4 years

### Membership



### Maggie Carver, CBE DL

**Deputy Chair, Chair of the Content Board, Interim Chair of the Election Committee, and People Committee Member**

**Appointed to the Ofcom Board as Deputy Chair on 30 September 2018**

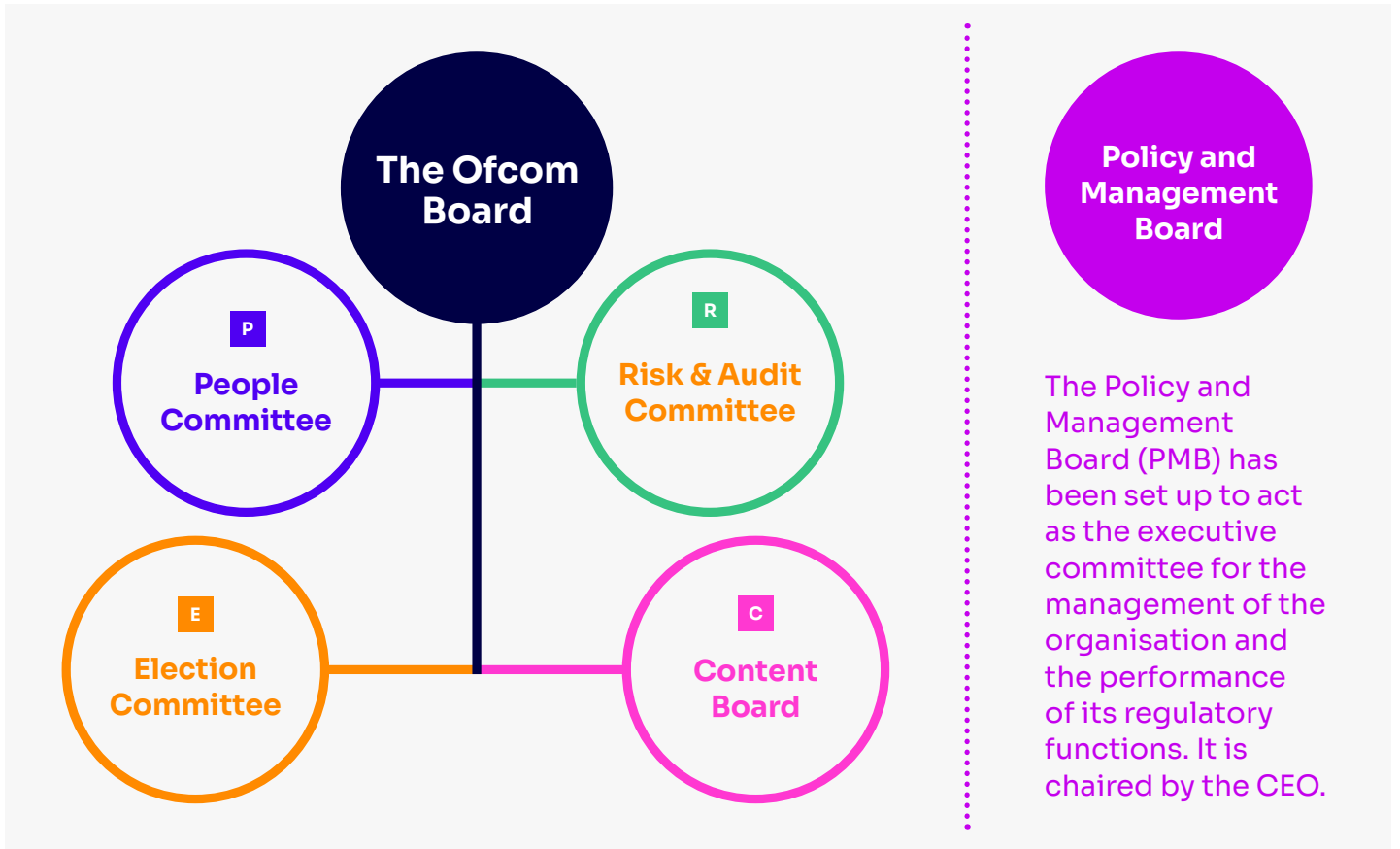
**Interim Chair from 1 January 2021 to 30 April 2022. Term ended on 29 January 2024**

Maggie has extensive experience as a non-executive director on the boards of 19 companies, public, private and not-for-profit. These include charring news and programme provider ITN, multiplex operator SDN, the British Board of Film Classification and the RCA, as well as being a director on the boards of Channel 5 Television, RDF Media plc, Satellite Information Services, armed forces broadcaster BFBS, British Waterways and the British Horseracing Authority. Maggie's executive career was in investment banking, television production, broadcasting and retail.

Maggie Carver's term ended on 29 January 2024.

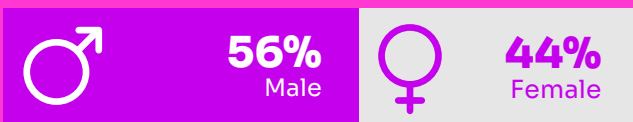
# Governance at a glance

## Board Committees



### Board diversity at 1 April 2024

#### Gender



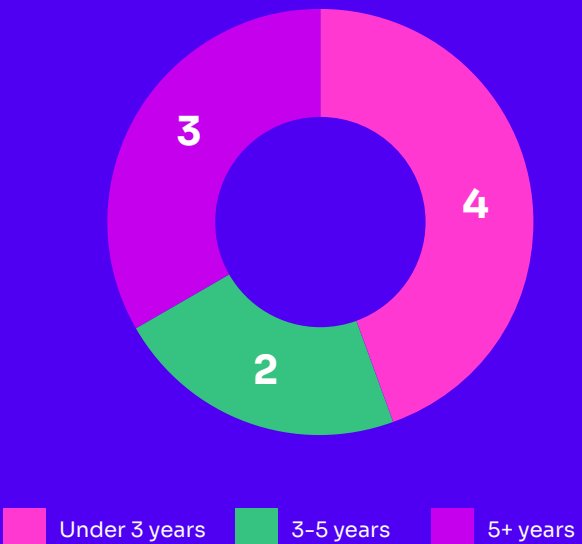
#### Ethnicity



#### Disability



### Tenure in role



## Attendance at the Board during the 2023/24 Financial Year

	<b>Ofcom Board</b> (April to Dec – 8 meetings. Feb and Mar meetings to be added)
<b>Number of meetings</b>	<b>10</b>
Michael Grade	10
Kevin Bakhurst	1 (out of 1)
Karen Baxter	10
Maggie Carver CBE	8 (out of 8)
Dame Melanie Dawes DCB	10
Dr Angela Dean	10
Bob Downes	10
Lindsey Fussell	10
Will Harding	10
Clive Jones	1 (out of 1)
David Jones	8 (out of 8)
Ben Verwaayen	9

Clive Jones joined the Board on 12 February 2024. Kevin Bakhurst resigned from the Board on 19 April 2023. David Jones's term ended on 7 January 2024 and Maggie Carver's term ended on 29 January 2024.

### Management information

Our Board and Board Committees are provided with regular management information to enable them to review Ofcom's performance and capability. This includes regular performance and finance reports, review of delivery against Ofcom's Budget and Plan, review on the delivery of Ofcom's Strategy and Plan of Work, the strategic risk register and risk policies, status on the Board/Board Committee Effectiveness Review outcomes and other corporate data.



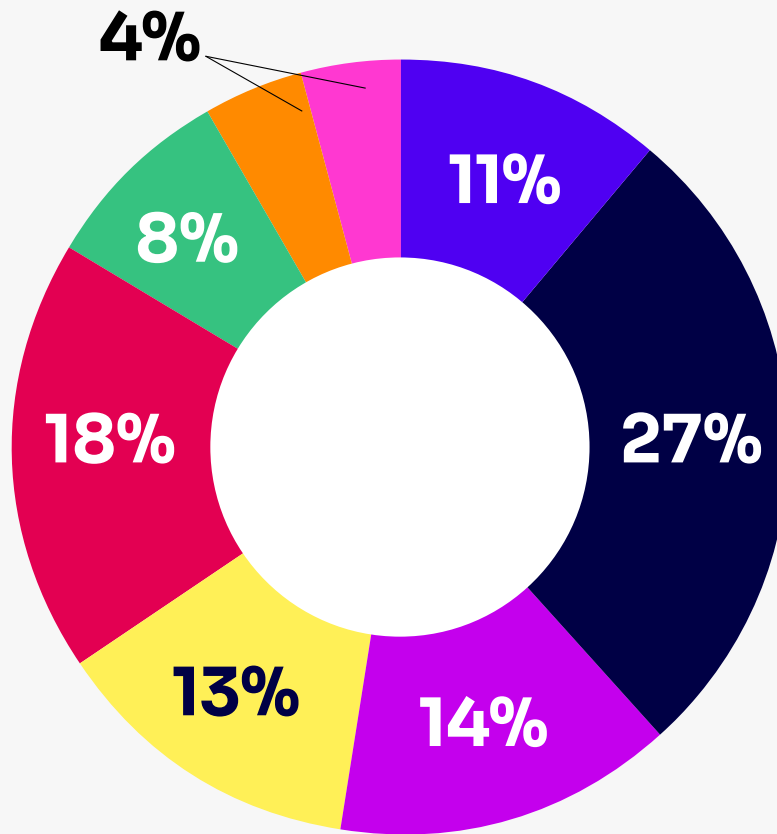
### Board administration


The administration of the Board is the responsibility of the Corporation Secretary, who maintains and keeps up to date the main procedures and policies of the Board, corporate records and the terms of reference of our Board Committees and Matters Reserved for the Board. The Corporation Secretary also maintains and keeps under review Ofcom's Corporate Governance Framework (including the Delegations of Authority and Board Committee terms of reference) and, in consultation with the Finance Director, the Financial Authorities Framework.


The Board had ten scheduled meetings during the year. The scheduled meetings were held each month, with the exception of August and January. The Board also undertakes a Strategy Session in October of each year, where medium to long-term strategy is examined and discussions take place on strategic and material issues. The Board papers relevant to the agenda of each Board and Board Committee meeting are distributed to Board and Committee Members, as appropriate, approximately one week in advance of the meeting via a secure digital portal.


# Our board: activities


The following chart shows how the Board allocated its agenda during the reporting period.





 Corporate governance, risk management


 We live a safer life online


 Strategy, including business planning

 Enabling wireless services in the wider economy

 Internet we can rely on

 Delivering our standing functions

 Media we trust and value

 Partnerships, including capability, skills and strengthening Ofcom

## Examples of some of the activities undertaken by the board

### Corporate Governance

- Annual Report and Accounts 2022/23
- Review and update Ofcom's corporate governance framework
- Appointments to Ofcom's Board, panels and committees
- Updates from the Chairs of the Risk and Audit Committee and People Committee
- Ofcom's whistleblowing and grievance policies
- Review of risk policies and strategic risk register
- Monthly performance reviews and quarterly finance and people deep dives
- Modern slavery statement 2023
- Board and Committee annual evaluation 2023/24
- Social media policy
- Annual health and safety report 2023
- Diversity and inclusion programme annual review

### Strategy, including business planning

- Full-year review of delivery against the 2022/23 Plan of Work
- Plan of Work and budget 2023/24
- Three-Year Plan cross-cutting priority areas and progress to date
- 2023/24 research plan
- Communications strategy 2023/24
- Public Bodies Review update

### Internet we can rely on

- Market study on the supply of cloud services in the UK
- Developments in the fixed telecoms market
- Work to help improve resilience on communications networks
- Supporting telecoms customers with higher costs of living
- Telecoms consumer protection monitoring and compliance programme

### Media we trust and value

- Media Act
- Content Board work programme and review
- BBC programme
- Communications Consumer Panel/Advisory Committee for Older and Disabled People updates
- Future of TV distribution

## Examples of some of the activities undertaken by the board

### **We live a safer life online**

- Fraud and scams
- Comparing the Online Safety Bill and EU Digital Services Act
- Online safety strategy
- Online Safety Bill
- Online safety: Ofcom readiness update
- Consultations on illegal harms, age assurance and protecting children from harm online
- Feedback on consultations
- Misinformation and Disinformation Committee

### **Enabling wireless services in the wider economy**

- Preparations for the World Radiocommunications Conference 2023
- Outcomes from the World Radiocommunications Conference 2023
- Bilsdale transmitter update

### **Delivering our standing functions**

- Updates on the postal market
- Review of litigation
- Enforcement review

### **Partnerships, including capability, skills and strengthening Ofcom**

- Ofcom's agility programme market
- Estates strategy
- Digital Regulation Co-operation Forum: strategic considerations
- Digital Regulation Co-operation Forum 2024/25 workplan
- International engagement in technical standards

## Keeping the Board informed

Ofcom is firmly committed to the ongoing development of its Board Members and we recognise the need to continually evolve their knowledge to enable them to effectively fulfil their duties. All newly-appointed Board Members are provided with a comprehensive and bespoke induction programme on joining Ofcom. The induction also includes Members' duties and Board procedures, internal control processes, strategy and planning, measures used to monitor performance and the Risk Management Policy and the Internal and External Audit.

In addition, the Board receives presentations and briefings on different aspects of Ofcom's Plan of Work throughout the course the year.

## Board performance and effectiveness review

Each year, the Board conducts an effectiveness review to evaluate the performance of the Board and Board Committees. As an externally-facilitated review was undertaken in the 2021/22 year, the 2023/24 review was internally facilitated.

The Board considered the outcomes of the review and its recommendations at its March 2024 Board meeting and agreed key areas of priority and focus for 2024/25 financial year. The review concluded that Ofcom's governance arrangements continue to work well.

Areas that were rated highly included encouragement of open discussion, balanced contributions and constructive challenge, Board relationships and those with the wider management team, quality of support from the organisation, and information received by the Board.

The Board noted that some gaps in non-executive expertise exist, with Online Safety remaining a particular priority, notwithstanding the regular and high-quality briefings from the executive in this area. The Board gave its lowest score for how well the composition of the Board reflected the requirements of the organisation, including diversity of membership, and noted that the UK Government's process to appoint new non-executive Board members was currently in train.

Further areas for focus identified through the review included:

- being involved in strategic discussions at an earlier stage to allow the Board to help shape decisions;
- shorter papers, especially where these are for information only, bringing out challenges and choices as the focus for discussion; and
- setting aside some time outside the monthly Board meetings for strategic discussions on specific sectors/ issues where pressure on time may otherwise curtail debate.

## Conflicts of interest

It is essential that Ofcom maintains its reputation for impartiality, integrity and high professional standards in all that it does. Ofcom is subject to the Code of Conduct for Board Members of Public Bodies and, in support of this, Ofcom has established a Code of Conduct for Board Members that contains provisions regarding Members' interests. The Board Code of Conduct is reviewed annually as part of the review of the Corporate Governance Framework.

Ofcom manages, sensibly and appropriately, potential conflicts of interest that Board Members may have, or that may arise from time to time, to ensure that the actions of Members do not bring into question Ofcom's impartiality and objectivity. Members must also ensure that their conduct accords with the 'Seven Principles of Public Life'.

Ofcom maintains a Register of Members' interests which is reviewed annually. Between annual declarations, Members are required to notify the Corporation Secretary when their interests change, so that the Register can be amended accordingly and, where necessary, any potential conflicts can be raised with the Chair and/or the full Ofcom Board. This ensures that Ofcom has a current record of Members' interests and relevant information is published on Ofcom's website.

## Board Committees and statutory boards

In the exercising of Ofcom's duties under the relevant legislation, the Board delegates certain responsibilities to the Executive within Ofcom and certain responsibilities to Board Committees, in accordance with clearly defined authorities and terms of reference.

Ofcom also has a number of other bodies with a governance or advisory role to the Board. The activities and main functions of these committees and bodies are described on pages 78-80.

### The Risk and Audit Committee

The Risk and Audit Committee membership is comprised of the following Non-Executive Members of the Board: Angela Dean (Chair); Karen Baxter; and Will Harding. David Jones stood down from the Ofcom Board and the Risk and Audit Committee in January 2024. The Chair of the Ofcom Board, the Chief Executive, the Chief Operating Officer, the Finance Director, the Financial Controller, the Head of Risk Management and Insurance, and the Head of Governance are invited to attend Committee meetings, as are the Internal and External Auditors.

The Risk and Audit Committee's responsibilities include, amongst other things, risk management and internal control systems, including reviewing the effectiveness of those systems. The full role and responsibilities of the Risk and Audit Committee, together with the Committee's activities during the reporting period, are set out in the Report of the Chair of the Risk and Audit Committee on pages 85-88.

### The People Committee

The People Committee is made up of Non-Executive Members of the Ofcom Board. The principal purpose of the People Committee is to provide an early, long-term and strategic perspective on Ofcom's People and Workforce-related areas and to periodically evaluate (in consultation with the Chief Executive) and challenge (where considered appropriate), the progress of Ofcom's People and Transformation Strategy. The Committee seeks assurance from Ofcom management that there are effective measures and plans in place for talent management, talent development and succession planning, performance management, culture and values and colleague engagement and other people-related areas to support Ofcom's performance, skills and expertise.

The People Committee also sets the overarching principles and parameters of performance and the remuneration policy across Ofcom and considers and approves individual terms and conditions of service, including the remuneration arrangements of the Chief Executive, Group Directors and other key colleagues. The Committee also oversees the process of appointments of Executive Board Members and other Group Directors of the Senior Management Team and approves the succession plans for the Ofcom Board, the Senior Management Team and critical colleagues. The People Committee met twice during 2023/24 in addition to considering and agreeing a range of issues by correspondence between formal meetings.





## The Election Committee

Section 333 of the Communications Act 2003 requires Ofcom to ensure that party political broadcasts, (including party election broadcasts) and referendum campaign broadcasts are included in every licensed public service television channel, every local digital television programme service, and every national (i.e. UK-wide, commercial) analogue radio service, and their digital simulcast services.

Unresolved disputes between any licensee and any political party, concerning the length, frequency, allocation or scheduling of broadcasts are brought to Ofcom for resolution. The Ofcom Board has delegated the adjudication on such disputes to the Election Committee. The Election Committee also has delegated authority to make decisions on complaints in relation to the standards set by Ofcom about due impartiality in programmes broadcast during an election or referendum period.

The Committee consists of up to five members. The Chair of the Election Committee is Clive Jones, who was appointed by the Ofcom Board in April 2024. Committee members are selected from the Content Board and/or Ofcom, as decided by the Chair of the Committee, with a quorum of three members (two of whom need to be Content Board Members).

## The Content Board

The Content Board is set up under Section 12(1) of the Communications Act 2003. The Content Board fulfils an advisory role for the Ofcom Board on content-related aspects of decisions or matters reserved for the Board.

During 2023/24 the Content Board continued its work to understand, analyse and champion the voices and interests of the viewer, the listener and citizen. It examined issues where the citizen interest extends beyond the consumer interest, including a focus on the public interest. Members considered and provided input to Ofcom's policy development at its formal meetings, sometimes in subgroups or individually. In addition, Members continued to assist Ofcom to set and enforce quality and standards for television and radio. The Content Board also performed an advisory role in relation to matters related to online safety.

At the end of the reporting period, the Content Board was made up of the following Non-Executive Members: Clive Jones (Chair from 12 February 2024); Dekan Apajee; Simon Bucks; Maggie Cunningham; Bob Downes; Peter Horrocks; Maria McCann; Ruth McElroy; Stephen Nuttall; and Kim Shillinglaw, and Executive Members Alison Marsden and Cristina Nicolotti Squires. Maggie Carver was Chair of the Content Board until 29 January 2024.

The Board met seven times in 2023/24.



## The Advisory Committees for the Nations

Section 20 of the Communications Act 2003 requires Ofcom to establish Advisory Committees for each of the UK nations. The function of each Committee is to provide advice to Ofcom about the interests and opinions, in relation to communications and postal matters, of people living in parts of the UK for which the Committee has been established. In addition to the appointed Members of the Advisory Committees, the Ofcom Board Member, the Content Board Member and the Communications Consumer Panel (CCP) Member for the respective nations attend the Advisory Committee meetings as observers.

The role of the National Advisory Committees, together with those of the Nations' Members of the Content Board and the Communications Consumer Panel, is immensely valuable in helping Ofcom take into account specific issues in the devolved nations of the UK in our policy formulation and implementation.

The Advisory Committees each met four times in 2023/24. Information on the areas of focus for each of the Advisory Committees during the year can be found on pages 39–40. At the end of the reporting period the Advisory Committee Members and observers were:

### Advisory Committee for England

Members: Paula Carter (Chair), Aaqil Ahmed, Grant Davis, Caroline Gardner, Edleen John and Mauro Mortali.

Observers: Angela Dean (Ofcom Board), Dekan Apajee (Content Board) and Richard Spencer (CCP).

### Advisory Committee for Northern Ireland

Members: Carrie Matchett (Chair), Jackie Neill, Aodhan O'Donnell, Colm Murphy, Paul Wickens and Michael Wilson.

Observers: Karen Baxter (Ofcom Board), Maria McCann (Content Board) and Rick Hill (CCP).

### Advisory Committee for Scotland

Members: Elizabeth Partyka (Chair), Ashe Hussein, Jessica McBeath, Stephen Speirs and Polly Tolley.

Observers: Bob Downes (Ofcom Board), Maggie Cunningham (Content Board) and Amanda Britain (CCP).

### Advisory Committee for Wales

Members: Robert Andrews (Chair), Aled Eirug, Angharad Evans, Karen Lewis, Amanda Rees and Geraint Strello.

Observers: Clive Jones (Ofcom Board), Ruth McElroy (Content Board) and Rachel Burr (CCP).

## The Communications Consumer Panel and the Advisory Committee on Older and Disabled People

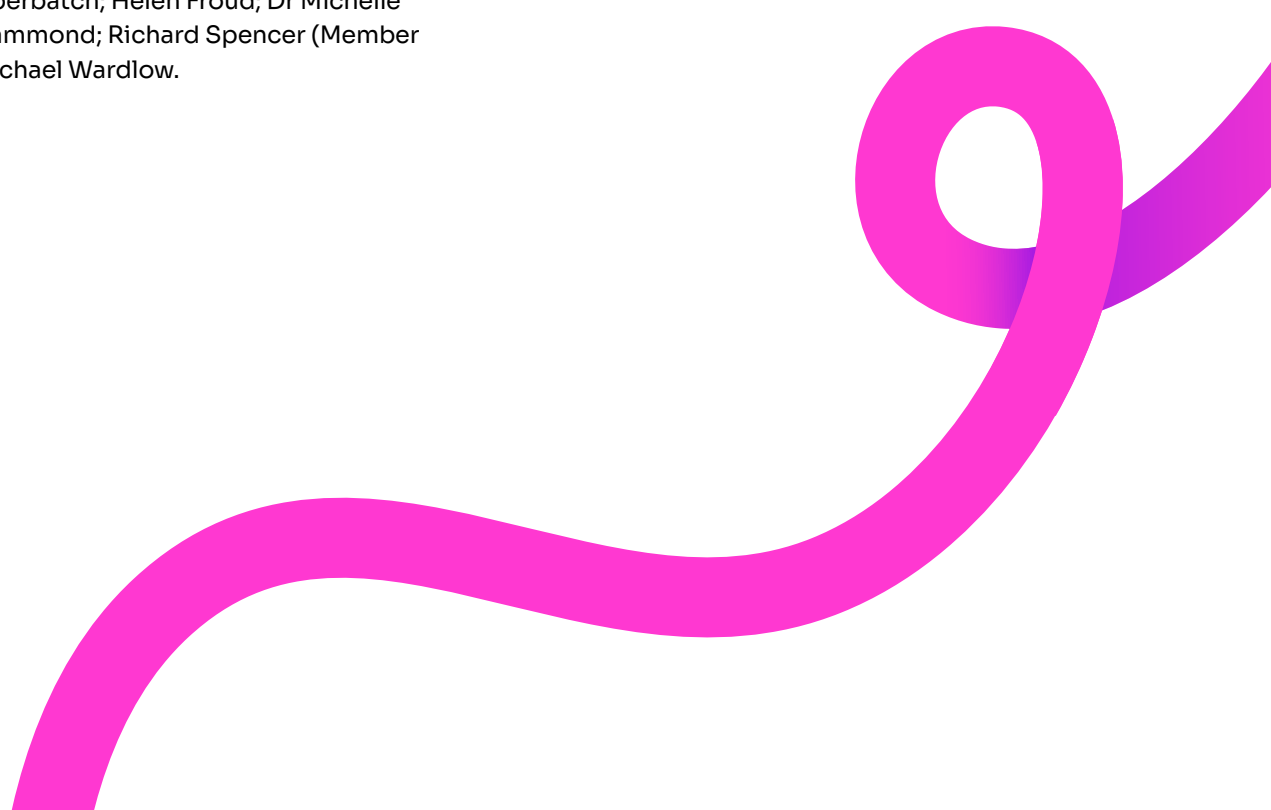
Section 16 of the Communications Act 2003 requires Ofcom to establish a Consumer Panel. The Communications Consumer Panel (CCP) represents the interest of consumers, citizens and microbusinesses in communications. It provides advice that is robust and independent but, at the same time, pragmatic and constructive. Ofcom shares information and ideas with the CCP at the early stages of policy development, allowing us to provide advice to ensure that the consumer voice is taken into account from the outset.

The Advisory Committee on Older and Disabled People (ACOD) advises Ofcom about communications sector issues relating to older and disabled people.

To take advantage of the synergy between the CCP and ACOD, and to avoid potential duplication, cross membership of the two bodies was established in 2012. The remits of the bodies, however, remain unchanged.

Independent of Ofcom, the CCP consists of up to twelve experts, including representatives from Scotland, Wales, Northern Ireland and England, with experience in many different fields. Further information can be found at [www.communicationsconsumerpanel.org.uk](http://www.communicationsconsumerpanel.org.uk). At the end of the reporting period the members of the Communications Consumer Panel and ACOD were: Rick Hill (Chair and Member for Northern Ireland); Kay Allen; Amanda Britain (Member for Scotland); Rachel Burr (Member for Wales); Professor Judith Clifton; Lenna Cumberbatch; Helen Froud; Dr Michelle Goddard; Robert Hammond; Richard Spencer (Member for England); and Michael Wardlow.

The Communications Consumer Panel and ACOD met formally eleven times in 2023/24. The Panel and ACOD continued their work to strengthen the voices of consumers, citizens and micro-businesses in communications. Focusing on their strategic priorities of universal availability of communications services as a right for all, excellent standards of service and of customer service, and listening to the consumer voice, the Panel has delivered a wide-ranging programme of expert policy advice, research inputs and extensive stakeholder engagement across the UK. Key interventions have included wide-ranging engagement with Ofcom and consumer bodies on the affordability of communications services, working closely with Ofcom, DCMS and industry on the VOIP switchover programme and rural connectivity, advising Ofcom and industry on the implications for consumers of 3G switch-off, and engagement with Ofcom and Royal Mail on the future of postal services regulation. The Panel now has a remit to advise on behalf of consumers, citizens and micro-businesses in regard to Online Safety and is working with Ofcom and stakeholders to shape its role in this area.



### The Ofcom Spectrum Advisory Board

The Ofcom Spectrum Advisory Board (OSAB) was established in 2004 to provide independent advice to Ofcom on strategic spectrum management issues.

Further information can be found on the OSAB website at: [www.osab.org.uk](http://www.osab.org.uk)

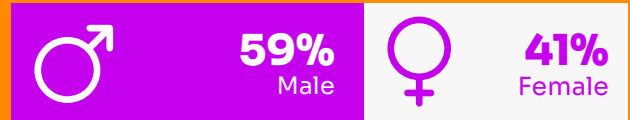
The Members of OSAB are: Gavin Young (Chair); Greg Bensberg; Wassim Chourbaji; Professor Mischa Dohler; Peter Hadinger; Alastair Macpherson; David Meyer; Dr Robert Pepper; Peter Pitsch; Ros Singleton; Alastair Davidson; Dr Abhaya Sumanasena; Dimitra Simeonidou; Raj Sivalingham (DSIT) (ex-officio Member); and Cristina Data (ex officio Member).

OSAB met four times in 2023/24.

### Diversity

The diversity of our wider non-executive population across the Content Board, National Advisory Committees and the Communications Consumer Panel/ACOD at the end of the reporting period was as follows:

#### Gender



#### Ethnicity



#### Disability



## Policy and Management Board

The Policy and Management Board (PMB) has been set up to act as the executive committee for the management of the organisation and the performance of its regulatory functions.

The PMB is chaired by the CEO and made up of Group Directors, the People & Culture Director and the Finance Director. The Corporation Secretary attends and other senior executives attend by invitation. The Policy and Management Board met ten times in 2023/24.

### At the end of the reporting period the membership of PMB was as follows:

Name	Role
Dame Melanie Dawes DCB	Chief Executive
Luisa Affuso	Chief Economist, Group Director Economics and Analytics
Martin Ballantyne	General Counsel, Group Director Legal
Aneen Blackmore	Finance Director
Lindsey Fussell	Group Director, Networks and Communications
Jessica Hill <sup>6</sup>	People and Culture Director
Cristina Nicolotti Squires <sup>6</sup>	Group Director, Broadcasting and Media
Melissa Tatton CBE	Chief Operating Officer, Group Director Corporate
Yih-Choung Teh	Group Director, Strategy and Research
Gill Whitehead	Group Director, Online Safety
David Willis	Group Director, Spectrum
<b>Former PMB members</b>	
Kevin Bakhurst (to April 2023)	Group Director, Broadcasting and Media
Siobhan Walsh (April 2023 to January 2024)	Interim Group Director, Broadcasting and Media
Kerri-Ann O'Neill (to January 2024)	People and Transformation Director

### Diversity of PMB

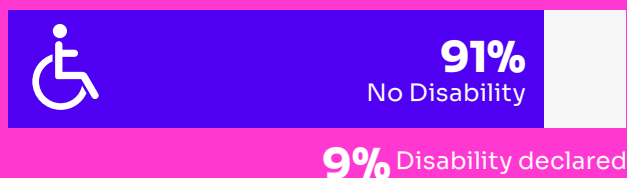
#### Gender



#### Ethnicity



#### Disability



<sup>6</sup> From February 2024

## Our Senior Management Team

Our Senior Management Team fulfils a wider day-to-day leadership role across Ofcom and consists of all Group Directors, our Public Policy Director, our People and Culture Director and our Communications Director.

## Accountability

Under the Office of Communications Act 2002, the Board is required to prepare a Statement of Accounts for each financial year. This conforms to the Accounts Direction issued by the Secretary of State for Department of Science, Innovation and Technology. The Board is also responsible for sending a copy of the Statement of Accounts to the Comptroller and Auditor General. The Statement of Accounts is prepared, as far as applicable, in accordance with the Companies Act 2006 and the International Financial Reporting Standards (IFRS) as well as the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), and on an accruals basis. It must give a true and fair view of the state of affairs of Ofcom as at the end of the financial year and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In addition, Ofcom's Annual Report and Accounts is sent to DSIT which lays copies of it before both Houses of Parliament and in Scotland, Wales and Northern Ireland. The Board is responsible for ensuring that proper records are maintained, which disclose accurately, at any time, the financial position of Ofcom, and enable it to ensure that the Statement of Accounts complies with the Communications Act 2003. In addition, the Board is responsible for safeguarding Ofcom's assets and therefore for taking reasonable steps for the prevention and detection of fraud and other irregularities.

How Ofcom manages the public funds we receive, and our relationship with DSIT in this regard, is set out in the Framework Document.

The Board confirms that in preparing this Statement of Accounts it has observed the relevant accounting and disclosure requirements, applied suitable accounting policies on a consistent basis, made judgements and estimates on a reasonable basis, followed applicable accounting standards and prepared the Statement of Accounts on a going concern basis.

## Transparency

Ofcom continues to review our publication scheme and to make a wide range of information readily accessible on our website. Wherever possible, Ofcom makes the data we collect and create available to the public following open data principles. Ofcom's open data is available in one public portal on our website and on the data.gov.uk portal, alongside datasets from all central Government departments and many other public sector bodies and local authorities.

During 2023/24, Ofcom responded to 459 requests (395 requests in 2022/23) for information under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. Where we held relevant information, we provided all, or part of the information requested in 76% of cases. Information is only withheld if it is exempt from disclosure under legislation.

During 2023/24, Ofcom also received 64 Subject Access Requests under the Data Protection Act 2018 (62 requests in 2022/23). Where we held relevant information, we provided this.

## Engagement

Ofcom aims to take into account the views of a wide range of interested parties when making policy decisions. In addition to engaging with the CCP/ACOD, the Content Board and the National Advisory Committees, we also engage with other national regulatory authorities (including via participation in the UK Regulators' Network and the Digital Regulation Co-operation Forum), European Institutions and global bodies. This also ensures that decisions taken are practical, proportionate and reflect the interests of citizens and consumers in the UK.

Consultation also plays an important role in Ofcom's decision making. It allows those who could be affected by or concerned about a particular issue to give us their views before we decide on a particular course of action.

Consequently, Ofcom consults publicly on all our major strategic priorities before making decisions. Details about Ofcom's method of consultation, and the consultations that took place during 2023/24, are set out in Ofcom's Regulatory Principles section on pages 44-47 in the Performance Report.

## Physical and personal security arrangements

The current threat level set by the Joint Terrorism Analysis Centre (JTAC) and MI5 for terrorism in Great Britain and in Northern Ireland is substantial (an attack is likely). The Ofcom Board risk appetite statement for health and safety and physical security is set as minimal. Threat assessments to ISO27001 standards are a continual occurrence using external consultancy and internal audit. This maintains a consistent and stable approach to physical and personal security management, including risk to individuals of harm both physically and online.

## Major incident/disaster recovery/business continuity planning

Throughout 2023/2024, Ofcom continued to demonstrate resilience in the face of disruptive challenges to the organisation. Our robust Incident management and business continuity plans have proved effective in protecting our operations, ensuring continued service delivery.

We have aligned our Business Continuity Management system to best practice, conducted regular risk assessments and undertaken testing and exercises to validate our plans. We remain committed to keeping under review and enhancing as required our incident management and business continuity approach to protect our operations and safeguard our stakeholders' interests.

Ofcom's Senior Management Team remains committed to Business Continuity Management, and our proactive approach to managing risk enables us to be prepared for any future challenges.

## Information security

Our commitment to Information and cyber-security remains paramount and we continue to prioritise vigilance and resilience to safeguard our information assets and digital infrastructure against an array of potential threats.

Given our expanded public profile and remit, we recognise the heightened risk of being targeted by a diverse range of malicious actors.

Specifically, the proliferation of sophisticated cyber threats, such as ransomware attacks, distributed denial-of-service (DDoS) assaults, and social engineering schemes, poses significant challenges to our security posture.

In response to these multifaceted threats, we have implemented a comprehensive suite of security measures, including robust access controls, encryption protocols, and intrusion detection systems. Additionally, we conduct regular threat assessments, leveraging threat intelligence feeds and scenario-based simulations to identify emerging risks and vulnerabilities proactively.

Moreover, we have bolstered our incident response capabilities to ensure swift and effective responses in the event of a security breach. This includes establishing clear escalation protocols, conducting regular tabletop exercises, and fostering collaboration with law enforcement agencies and industry partners to facilitate threat mitigation and information sharing. Through these concerted efforts, we remain steadfast in our commitment to upholding the confidentiality, integrity, and availability of Ofcom's critical information assets in the face of evolving information and cyber threats.

We investigated 62 breaches of data protection during the year. Two of those breaches were reportable to the Information Commissioner's Office (ICO) although no further action was taken by the ICO in either case. We have retained our certification to the international standard for information security management (ISO27001).

## Whistleblowing policy and hotline

Our whistleblowing policy is reviewed annually to ensure it remains fit for purpose and aligned with best practice guidance. We have designated Whistleblowing Officers but also use an externally hosted and administered whistleblowing hotline that allows colleagues to make anonymous disclosures.

## Public interest disclosure

The Public Interest Disclosure Act 1998 gives legal protection to employees against being dismissed or penalised by their employers as a result of disclosing information which is considered to be in the public interest. Ofcom is a 'prescribed person' as defined under the Public Interest Disclosure (Prescribed Persons) Order 2014. As such, individuals working outside Ofcom, but in a sector we regulate, may contact Ofcom if they have concerns about possible wrongdoing at their own organisation. During 2023/24 Ofcom received 77 disclosures under the Public Interest Disclosure Act 1998.

# Statement of Accounting Officer's Responsibilities

The accounts are prepared on an accruals basis and give a true and fair view of the state of affairs of the organisation and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, as the principal Accounting Officer, I am required to:

- observe the Accounts Direction issued by the Secretary of State for Department for Science, Innovation and Technology, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Secretary of State for Science, Innovation and Technology has designated the Chief Executive as Ofcom's Accounting Officer.

**“I take personal responsibility for the Annual Report and Accounts and confirm that they are as a whole, fair, balanced and understandable, as are any judgements used to determine this view.”**

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Ofcom's assets, are set out in Managing Public Money published by HM Treasury.

As the Accounting Officer, I have taken all the necessary steps to make myself aware of any relevant audit information and to establish that Ofcom's auditors are aware of that information. So, as far as I am aware, there is no relevant audit information of which the auditors are unaware.

*Melanie Dawes*

**Dame Melanie Dawes DCB**  
Chief Executive and Accounting Officer

25 July 2024



# The report of the Chair of the Risk and Audit Committee

During 2023/24 the Committee oversaw a comprehensive review of Ofcom's risk register, which introduced a strategic risk register template developed in line with the HMT Orange Book (Management of Risk) best practice, six reworked strategic risks and a risk control effectiveness rating scale.

We maintained our focus on Ofcom's performance against its budget, and on budget drafting and the presentation of financial reporting.

The Committee also took a particular interest in 2023/24 in Ofcom's information and cyber-security, and in data and information management.

## Attendance of Members during 2023/24

The Committee met five times in 2023/24. The Members of the Committee during 2023/24 and their attendance is set out below:

<b>Number of meetings</b>	<b>5</b>
Angela Dean (Chair)	5
Karen Baxter	5
Will Harding	5
David Jones, until December 2023	4

All Members were in attendance for the meetings held while they were a Member of the Committee.

## Overview

On behalf of the Ofcom Board, I am pleased to provide an overview of the operation and scope of the Risk and Audit Committee for the financial period ended 31 March 2024.

The Committee has responsibility, on behalf of the Ofcom Board, for oversight of the appropriateness and effectiveness of Ofcom's risk management, risk governance, internal systems and controls and financial statements.

The Committee maintains the relationship with the National Audit Office (NAO), Ofcom's external auditors, including a review of its fees and the scope of its audit of Ofcom's financial statements. This covers its assessment of the risks of material misstatement and material irregularity, its independence, resources and the effectiveness of the audit process. The Committee also works with Ofcom's internal audit provider to establish an Annual Plan for the audit of specific areas of Ofcom, and then monitors the progress and outcomes of those reviews.

The Non-Executive Members of the Committee are independent and are considered to have the relevant skills and experience at a senior level. More than one Member of the Committee has recent and relevant financial experience and the Committee as a whole has competence relevant to the communications sector in which Ofcom operates. I was appointed Chair of the Risk and Audit Committee in 2018 and, in addition to my experience as a financial analyst, I have been chair or member of numerous Audit and Risk Committees and Finance Committees, including Chair of the Audit & Risk Committee of the National Lottery Heritage Fund & National Heritage Memorial Fund. The Committee has private sessions annually with the Finance Director and the Head of Risk Management and Insurance, in addition to the internal audit provider and the NAO. As part of my role as Chair of the Committee, I met regularly with the NAO and the internal audit provider in the reporting period, without Ofcom Management being present. Both the internal audit provider and the NAO have direct access to me in the event that they wish to raise anything which they feel is not appropriate to raise directly with Ofcom management.

Deloitte was reappointed as Ofcom's internal auditor in March 2024, following a fair and open tendering process; the maturity of Deloitte's proposal was evident and, of those who responded to the invitation to tender, would provide Ofcom with the best value for money. As Chair of the Committee, I was on the tendering panel and ensured that the Committee was kept up to date with progress.

## Committee activities

The Committee operates under formal terms of reference, which are reviewed annually, and which are set out in Ofcom's Corporate Governance Framework. The Committee's Terms of Reference can be found [here](#).

The work of the Committee follows an agreed annual work programme, with the Committee allocating its time in 2023/24 as follows:

- financial reporting and related matters;
- Annual Report and Accounts;
- governance, including updates to Committee Terms of Reference and the Financial Authorities Framework;
- risk management;
- internal audit;
- external audit;
- cyber, ICT, physical and personal security; and
- other (e.g. litigation, bribery and fraud).

## How our approach is informed by the UK Corporate Governance Code

The Committee is committed to discharging its responsibilities with transparency and integrity. In addition to the appointed Members of the Committee, the following have standing invitations to attend Committee meetings:

- Ofcom: Ofcom Chair, Chief Executive, Finance Director, Financial Controller, Head of Risk & Insurance Management, Group Director Corporate, Head of Governance
- National Audit Office (NAO): representatives of Ofcom's External Audit Team
- Deloitte: representatives of Ofcom's Internal Auditor

## Financial statements and accounting policies

In conjunction with Ofcom Management, the internal audit provider and the NAO, the Committee reviewed the Financial Statements and associated documentation to establish if these were free from material misstatement and prepared in accordance with the applicable financial reporting framework. The Committee also challenged the judgements made by Ofcom Management and the assumptions and estimates on which they were based.

During the year, the Committee considered Ofcom's financial accounting policies and the accounting assumptions applied to the results, including the assessment undertaken at the year end.

## The risk and control framework and risk management

The management of risk is an important part of Ofcom's internal control framework and encompasses both strategic and operational risks within a Risk Management Policy, which is reviewed and approved annually by the Committee and the Chief Executive, as the Accounting Officer. The existing internal control and risk management framework was in place for the reporting year and includes business continuity, financial controls and mechanisms to ensure compliance with laws and regulations. To ensure that our Risk and Control Management Framework is effective and aligned to our requirements, a review of our Risk Management Framework is undertaken periodically.

During 2023/24, the Committee oversaw the work undertaken to update the Strategic Risk Register, risk register templates and Risk Control Effectiveness Rating Scale. The Committee considered and supported the framework and approach underpinning the new strategic risk register, the risk control effectiveness scale and the proposed approach to governance. The Committee approved the register, including the strategic risks for onward submission to the Board. The Committee worked with the Executive to ensure that there continued to be effective risk management as the risk register and framework was updated. In May 2024, the Committee considered, and approved for submission to the Ofcom Board, an updated Risk Appetite Statement and an updated Risk Management Policy. Both were subsequently approved by the Ofcom Board.

An oral update on matters considered by the Committee is provided to the next following Ofcom Board meeting and any changes to risk ratings are approved for onward submission to the Board by the Committee. In addition, the Committee conducts a deep dive, typically on a strategic risk, at most meetings.

### Deep dives undertaken by the Committee in 2023/24

- Trusted regulator (strategic risk)
- Information and cyber-security (strategic risk)
- NAO's emerging findings on Online Safety
- Risk management

### Internal controls

Responsibility for operating and monitoring the internal control system is delegated by the Ofcom Board to specific individuals and committees. The Committee receives an update on any control breaches at each meeting. The Committee reported to the Board on the effectiveness of Ofcom's internal control systems. A description of the organisation's system of internal control is included in the Corporate Governance Report on page 62.

In 2023/24 the Committee met with the Finance team to test the assumptions and controls behind the budget planning process, to provide assurance to the Board. The Committee monitored progress against the agreed budget, and reviewed the draft budget before submission to the Board. This provides assurance around Ofcom's commitment to offer value for money.

Further assurance is provided by the work carried out by specialist teams across Ofcom, including the Security Committee, the Data Protection Steering Group, the Health, Safety, and Environmental Committee and the Business Continuity Group. A new Policy Framework was introduced in 2023/24, which provides further assurance to the Committee. The Committee continued to monitor an Ofcom-wide programme to strengthen data management and retention processes.

### Cyber, physical, information and personal security

The Committee continued to oversee Ofcom's preparedness against cyber threats and other threats to its secure networks, in particular the Committee sought assurance that Ofcom's mitigations and preparedness for cyber-attacks were effective and appropriate.

The Committee continued to receive updates at each meeting on cyber, physical, information and personal security to ensure that work continued to be aligned with the requirements of the Information Security standard ISO27001.



## Annual internal audit plan and focus of reviews in 2023/24

The reviews undertaken as part of the internal audits comprised a risk-based programme of work across a range of key control areas, discussed with management and approved by the Committee on a half yearly basis. The Committee received quarterly reports from the internal audit provider on the progress of its audits, final internal audit reports (including Ofcom Management's response to the findings where appropriate) and the progress made in addressing any issues identified during the audits.

### Areas of internal audit covered during 2023/24

- Research
- Enforcement
- Data management: Salesforce
- Business continuity management: Follow-up
- Key financial controls
- Risk management

### Other areas of review

Ofcom's Whistleblowing, Fraud and Anti-Bribery Policies are reviewed by the Committee in December of each year. The Whistleblowing policy covers all of the necessary matters required under the Public Interests Disclosure Act 1998. This policy has been communicated to all colleagues who have been reminded that they can raise matters anonymously with Ofcom's whistleblowing hotline provider. There have been no cases of whistleblowing referred and/or reported since the annual review conducted in November 2021.

The Committee provided input to the Colleague Conflicts of Interest Policy, which made clearer why Ofcom had a conflicts of interest policy and why colleagues needed to comply with it, and incorporated requirements for colleagues when posting on social media (previously a standalone policy).

The Committee also received reports on Ofcom's Corporate Governance Framework, Financial Authorities Framework (prior to Board approval being sought on changes to the Framework), and Ofcom's accounting policies.

### Reporting to the Board

As Chair of the Risk and Audit Committee, I provide regular updates to the Board on the main issues discussed at Committee meetings. The Board welcomed the full review of Ofcom's risk register and the work that had been undertaken.

### Committee performance and effectiveness

An internally-facilitated review of the Committee's performance and effectiveness was conducted as part of the Board Evaluation Review. The outcome was positive, with no average score below '4 - very good', with the exception of financial reporting which had improved from 2022/23 and was scored '3.8 - good'. The Committee was considered to operate effectively, encourage open debate and constructive challenge. The quality of information provided in relation to risk, internal audit reports and external audit reports was rated highly. The Committee will continue to work with the Executive to ensure that financial reporting is further developed.



**Angela Dean**  
Chair of the Risk and Audit Committee

25 July 2024



# Our employees

Ofcom is changing as we take on new duties and improve our capabilities for the future. Many of our roles are unique to Ofcom and joining us provides an opportunity for people to develop new skills and career paths.

We continue to make progress in building in-house expertise in digital markets, online and emerging technologies and data analytics, as well as areas such as algorithmic design, machine learning and artificial intelligence. We also want to make sure our people bring a diversity of background and a strong mix of commercial and industry experience to ensure effective regulation. As part of our wider strategy to become a more diverse organisation, we recruit people from across the nations and regions of the UK. In 2023/24 we recruited an additional 42 roles at our Manchester office, and 18 roles in Edinburgh following a programme of recruitment to help us deliver our online safety work.

Our career and performance management approach continues to combine a focus on excellence with support to our colleagues. We provide a comprehensive package of leadership learning, for all Career and Performance Managers and for other colleagues, which includes training on disability confidence and inclusive leadership. This aims to strengthen the quality of our leadership across Ofcom and help us attract, grow and retain the talent we need to carry out our responsibilities, while delivering to a high standard across our remit.

## Diversity, inclusion and wellbeing

We believe that it is necessary for Ofcom to be as representative as we can be of the nations, regions and communities of the UK, if we are to do our job and serve citizens and consumers across the country. So we set out a five-year diversity and inclusion strategy in 2021, with targets to increase the diversity of our workforce and plans for fostering a workplace culture in which everyone feels they are valued and can be themselves.

The strategy sets out our plans to create:

- a more diverse workforce;
- an inclusive culture;
- processes, systems and policies that are fair;
- colleagues who take personal responsibility for diversity and inclusion;
- leaders who are role models; and
- stronger connections to the communities we serve.

Underpinning this strategy are Ofcom's five longstanding values of excellence, collaboration, agility, empowerment and respect. This year, we have made progress. We transformed our approach to recruitment to maximise opportunities to improve our diversity as we grow with new duties. We have partnered with an external recruitment company which provides up-to-date information on our diversity recruitment outcomes and supports our hiring managers to consider diversity all the way through the process. As a result, we exceeded our target to achieve 16% of senior people from minority ethnic backgrounds by 2026, three years early. We have set a new more stretching target of 19% by 2026 to ensure we maintain progress.

In addition, we have put more focus on our early careers hiring and have forged new partnerships to reach out to under-represented communities for working opportunities. In 2023/24 we recruited 22 interns under the 10,000 Black Interns programme, 24 apprentices and 34 graduates.

We aim to foster a workplace culture in which everyone feels they are valued and can be themselves. We measure inclusion through regular reporting, including in our annual staff survey. Our internal engagement and inclusion index, which is measured by an external company, improved this year. Our policies and working practices are continuously reviewed, and through collaborative working with our staff diversity networks, we remain committed to making sure we keep improving and growing as an organisation while delivering our job for citizens and consumers.

### Supporting colleagues' wellbeing

Our Thrive@Ofcom wellbeing programme continues to focus on supporting wellbeing at work. We have access to an employee assistance service available 24 hours a day, as well as a virtual GP service, available 365 days a year. We also have access to private medical cover, which provides access to trained counsellors and therapists, and a free account for the Calm meditation and mindfulness app.

We have consolidated our wellbeing support through 18 trained domestic abuse allies inside Ofcom and seven domestic abuse advisors alongside 73 mental health first aiders who provide information and advice on how to manage mental wellbeing.

### Monitoring and reporting our progress

We monitor our policies, practices and processes through data analysis and internal reporting, and an annual colleague survey. We use external diversity and inclusion benchmarking, conduct a regular equal pay audit and publish a pay gap report annually. In 2023, we were recognised as a Times Top 50 Employer for Women, received a bronze award within the Stonewall Workplace Equality Index and were rated exemplary by the Investing in Ethnicity benchmark. We are a Disability Confident Level 2 employer and have Carer Confident Accomplished (Level 2) accreditation.

### Involving and consulting colleagues

Our colleagues play an important role in making sure Ofcom has a diversity of perspectives in its approach in the workplace. We have a number of regular formal and informal methods for informing and consulting people who work at Ofcom:

- the Joint Consultative Group (JCG) is a bi-monthly meeting of the Ofcom Colleague Forum, made up of elected representatives of colleagues across Ofcom, and representatives from our recognised trade union, Prospect;
- colleague surveys, inviting colleagues to share their views anonymously on a range of topics which link to our diversity and inclusion strategy. The outcomes of these surveys provide a foundation for our organisational development;
- our eight staff diversity networks covering a range of issues and communities;
- open forums with the Chief Executive and senior management team;
- the Ofcom intranet, which is available to all colleagues in all locations; and
- regular group meetings, to speak to and hear from people across Ofcom.

**Table A: Diversity representation progress**

	Year 1 starting position (End Mar 2022)	Closing position at Year 3 (Mar 2024)	End ambition (Mar 2026)
Senior female	44%	46%	Equal balance
Senior ethnicity	11%	17%	19% (originally 16%)
Disabled – Ofcom-wide	12%	12%	15%

Base: All colleagues as at end of March 2024. Senior levels include staff at Principal and senior managers and specialists (SMS) grades.

## Employment policies and processes

At Ofcom, we believe that everyone at all levels should work together to create an inclusive and empowering work environment. Our policies and processes are always under review to make sure they are up to date with the requirements of employment law, reflect best practice and our values.

During the past year we introduced several new support policies, including a menopause policy. We have revised our stress management policy, domestic abuse support policy, and introduced an allyship program to support any colleague facing domestic abuse. We also introduced a new policy, reflecting our expanded role in Online Safety, for those who are required to work with distressing content, including disturbing videos and images, as part of their role, to minimise the risk to them and support them to do this work safely.

## Employee engagement and turnover

We track levels of employee engagement through an independent annual colleague survey. In June this was at 75% (+3pt compared to the previous year). We have recorded high levels of pride among colleagues working at Ofcom and this score has been consistently over 80% for this year and previous years. We complement this with a monthly deep dive of our data where we report levels of employee turnover and explore the reasons, which we gain through exit data. For 2023/24 our Ofcom wide gross turnover was 10.4%, which is in line with previous years and within our established tolerance level.

## Absence

Our aim is to treat people who are unwell with compassion and fairness and, where possible, provide them with support to help them recover and attend work regularly. In 2023/24, 4.8 working days were lost per year per employee (2022/23 = 4.3 days) at Ofcom, in comparison to the public sector average of 8.1 days per year as of end of March 2023.



# Remuneration report

This report has been prepared to be compliant so far as is practicable and appropriate with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, though Ofcom is not required to comply with the regulations.

The approach taken by the Board has been informed by certain principles of the UK Corporate Governance Code and fulfils the requirements of the Government Financial Reporting Manual only where appropriate and applicable. Ofcom is not required to apply the Parliamentary accountability requirements of the FReM in its annual reporting.

## Constitution of the People Committee

The People Committee is a sub-committee of the Ofcom Board. It consists of the following Members:

- Ben Verwaayen, Chair;
- Maggie Carver (left the Ofcom Board and People Committee on 29/01/2024);
- Angela Dean;
- Bob Downes;
- Michael Grade; and
- David Jones (left the Ofcom Board and People Committee on 07/01/2024)

The Committee would also normally expect the Chief Executive, the Chief Operating Officer, the People and Culture Director and the Corporation Secretary to attend meetings. Where necessary and appropriate, the People Committee will also take advice and/or obtain services from Ofcom colleagues or specialist external organisations. No individual is present for any discussion about their own remuneration.

## Remuneration policy

In setting Ofcom's remuneration policy, the People Committee believes that Ofcom should, with consideration of it being a public body, provide a stable reward framework that will attract and retain the high-calibre people necessary to enable Ofcom to achieve its strategic priorities and to fulfil its statutory remit and responsibilities. Ofcom does not provide a long-term incentive plan scheme for any of its employees, nor does it pay sign-on bonuses.

## Components of remuneration

The main components of the remuneration for the Group Directors and the Chief Executive are in line

with our approach to all-colleague remuneration which includes basic salary, an all-colleague defined contribution pension scheme and a range of flexible benefits which includes a cash allowance life assurance, group income insurance, private medical insurance, and an annual health check as standard elements.

### 1. Basic salary

### 2. Standard and flexible benefits

- Private medical insurance
- Life assurance
- Group income protection
- Annual health check

### 3. Annual bonus scheme

### 4. Pension

- All-colleague defined contribution scheme
- Pension allowance as % of salary

## Basic salary

The basic salary for all colleagues is determined by considering each colleague's responsibilities, skills and experience, together with relevant market benchmarking analysis. All basic salaries are considered annually, and any changes are typically made effective on 1 July each year. We conduct an annual equal pay audit for gender and ethnicity.

## Flexible benefits

Ofcom offers a flexible benefits allowance to colleagues based on their grade. For the purposes of the remuneration tables, only the value of private medical insurance is included. The total value of group income protection, life assurance and annual health checks is not disclosed under benefits in kind as these are not treated by HM Revenue & Customs as a taxable employment benefit.

## Annual bonus scheme

We have an annual bonus scheme in place for all colleagues which awards colleagues if Ofcom achieves its organisational priorities set at the beginning of the year. The People Committee approves the budget, priorities and awards. The annual bonus is paid in July for the prior financial year. The bonus figure is accrued annually.

Eligible colleagues will receive an award as a fixed amount per grade and on a pro-rated basis.



## Pension

Ofcom provides the option of a stakeholder (defined contribution) pension to all. All Ofcom colleagues are provided with a pension allowance, determined as a % of base salary. This can either be invested within one of two pension schemes – the Master Trust and Group Pension Plan (both of which allow deductions to be made via salary sacrifice) or taken as additional salary.<sup>7</sup> No current Non-Executive Member received a pension benefit from Ofcom during the year under review.

## Fair pay disclosure (audited)

Ofcom believes in fair pay. We track this through monitoring a fair pay ratio, comparing the highest paid individual in the organisation and the median remuneration of the rest of the organisation. The calculation of, and presentation of, the data is in line with the Government Financial Reporting Manual.

For fair pay disclosures, total remuneration figure is taken as of 31 March annually and includes salary, non-consolidated performance-related pay and benefits-in-kind and excludes pension entitlement allowance and any severance payments. The median remuneration excludes the highest paid individual and is based on annualised, full-time equivalent remuneration as at the end the financial year.

		2023/24		2022/23	
% change in the highest paid director	band of reremuneration (£'000)	365-370		345-350	
	salary and allowances	6.43%		2.33%	
	performance pay and bonuses payable	(29.41%)		-	
% change for all employees	salary and allowances	1.89%		3.61%	
	performance pay and bonuses payable	5.06%		426.97%	
Total pay and benefits Pay ratio	25th percentile	8.15	£45,116	8.09	£42,941
	Median	5.87	£62,658	5.75	£60,422
	75th percentile	4.24	£86,587	4.07	£85,338
Salary component Pay ratio	25th percentile	9.07	£40,498	8.92	£38,973
	Median	6.68	£54,978	6.57	£52,901
	75th percentile	4.83	£76,035	4.67	£74,470
Remuneration	Total remuneration	£109.4m		£100.0m	
	Range	£21,587 - £368,581		£20,461 - £349,191	

## Changes in pay ratios

The current year increase in the highest paid director's salary and allowances of 6.43% due to increases in their salary, and reduction in bonuses payable of 29.41% due to lower bonus compared to that paid in 2022/23. The increase in the performance pay (1.89%) and bonuses (5.06%) payable for all employees is due to increase in pay and bonuses.

The 426.97% increase in the performance pay and bonuses payable for all employees between 2021/22 and 2022/23 was due to bonuses not being paid to colleagues due to the Covid pandemic, however an average of £291.37 of performance related payment was given to some employees. In 2022/23 when the bonus scheme was reinstated the average amount was £1,535.43.

<sup>7</sup> For further details on pensions, please refer to Note 20 to the accounts on page 136

## Remuneration tables

Details of the remuneration received by members of the Board, the Content Board and the Group Directors have been audited by the Comptroller and Auditor General and are set out in the following tables and notes.

The tables reflect the remuneration for the part of the year during which individuals were either permanent members of the Board or the Content Board only, or Group Directors.

Those individuals marked with '+' against their name were in role for only part of financial year 2023/24 or 2022/23.

Where individuals are members of more than one Board or Committee (as set out on page 65–69) they appear only once in the remuneration tables.

The Non-Executive Members of the Ofcom Board and Content Board Members received no additional remuneration beyond their fees. The Non-Executive Members of the Ofcom Board additionally have provision of IT equipment if required.

### Table 1: Ofcom Non-Executive, Board Member remuneration

Type	Guidance note reference	Fees 2023/24	Fees 2022/23
Angela Dean	1	42,519	42,519
Ben Verwaayen	1	42,519	42,519
Bob Downes	1	42,519	42,519
Clive Jones	1,2	5,708 (42,519)	-
David Jones +	1, 2	32,660	42,519
Graham Mather +	1, 2	-	38,976
Karen Baxter	1	42,519	42,519
Maggie Carver +	1, 2	57,826	74,167
Michael Grade	1	142,500	130,625 (142,500)
Will Harding	1	42,519	21,260 (42,519)
<b>TOTALS</b>		<b>451,289</b>	<b>477,623</b>

#### Guidance Note 1:

The fees for all the Non-Executive Members of the Ofcom Board are fixed in agreement with DSIT for the duration of their appointment. The fees shown in Table 1 represent the amount paid during the period under review. The fee of the Non-Executives of the Ofcom Board (excluding the Chair and Deputy Chair) has remained at £42,519 (Chair £142,500, Deputy Chair £70,000) per annum since 1 April 2008. The values shown represent the full year amount paid, or where appropriate part of the year (+) where the Non-Executive Member left or joined the Ofcom Board.

#### Guidance Note 2:

Maggie Carver's term of office ended as an Ofcom Non-Executive Director and Deputy Chair ended on 29 January 2024.

David Jones's term of office ended as an Ofcom Non-Executive Director ended on 7 January 2024.

Graham Mather's term of office ended as an Ofcom Non-Executive Director ended on 28 February 2023.

Clive Jones joined as an Ofcom Non-Executive Board Member on 12 February 2024 and the remuneration for the reporting period of £5,708 was paid in May 2024.

**Table 2: Ofcom Non-Executive, Content Board Member remuneration**

Ofcom Content Board	Guidance note reference	Fees 2023/24	Fees 2022/23
Dekan Apajee	3	16,800	16,800
Jonathan Baker +	3, 4	8,400	16,800
Kim Shillinglaw	4	16,800	16,800
Maggie Cunningham	3	16,800	16,800
Maria McCann +	3	16,800	6,109 (16,800)
Monisha Shah +	3, 4	8,400	16,800
Peter Horrocks	3	16,800	16,800
Rachel Coldicutt +	3, 4	7,467	16,800
Ruth McElroy	3	16,800	16,800
Simon Bucks +	3, 4	9,800	-
Stephen Nuttall	3	16,800	16,800
Tobin Ireland +	3, 4	9,800	16,800
<b>TOTALS</b>		<b>161,467</b>	<b>174,109</b>

**Guidance Note 3:**

The fees for Non-Executive Members of the Content Board are fixed by Ofcom.

The basic fee of the Content Board Members is £16,800 per annum.

The values shown represent the full year amount paid, or where appropriate part of the year (+) where the Non-Executive Member left or joined the Ofcom Board.

**Guidance Note 4:**

Jonathan Baker left the Content Board on 30 September 2023.

Simon Bucks joined the Content Board on 1 September 2023.

Rachel Coldicutt left the Content Board on 11 September 2023.

Tobin Ireland left the Content Board on 31 October 2023.

Monisha Shah left the Content Board on 30 September 2023.

**Table 3: Ofcom Executive, Board Member remuneration (2023/24)**

Name	Guidance note reference	Months of reporting period employed	Total salary paid £	Pension entitlement/ allowance £	Flexible benefits allowance £	Benefits in kind £	Annual performance bonus £	Total remuneration paid 2023/24 £	Total remuneration paid 2022/23 £
Melanie Dawes	5	12	342,058	68,412	15,000	3,694	6,000	435,164	413,097
Lindsey Fussell	5	12	265,350	39,803	15,000	3,694	6,000	329,847	316,562
<b>TOTALS</b>								<b>765,011</b>	<b>729,659</b>

Performance bonus awarded for FY 2022/23, paid in July 2023.

**Table 4: Ofcom Executive member, Content Board remuneration**

Name	Guidance note reference	Months of reporting period employed	Total salary paid £	Pension entitlement/ allowance £	Flexible benefits allowance £	Benefits in kind £	Annual performance bonus £	Total remuneration paid 2023/24 £	Total remuneration paid 2022/23 £
Alison Marsden	5	12	160,294	24,044	15,000	3,694	4,000	207,032	198,472

**Table 5: Ofcom Group Director remuneration**

Name	Guidance note reference	Months of reporting period employed	Total salary paid £	Pension entitlement/ allowance £	Flexible benefits allowance £	Benefits in kind £	Annual performance bonus £	Total remuneration paid 2023/24 £	Total remuneration paid 2022/23 £
Luisa Affuso	5	12	248,746	37,312	15,000	3,694	6,000	310,752	298,276
Martin Ballantyne	5	12	245,348	36,802	15,000	3,694	6,000	306,844	289,163
Yih-Choung Teh	5	12	240,450	36,068	15,000	3,694	6,000	301,212	289,163
Gillian Whitehead	5	12	295,688	44,353	15,000	3,694	6,000	364,735	51,414
Cristina Nicolotti Squires +	5, 6	2	44,758	6,714	2,500	463	-	54,435	-
David Willis	5	12	243,812	36,572	15,000	2,955	3,500	301,839	167,602
Melissa Tatton	5	12	240,450	36,068	15,000	2,955	6,000	300,473	288,545
<b>Total</b>								<b>1,940,290</b>	<b>1,348,163</b>

**Guidance Note 5:**

The total annual remuneration is shown for Ofcom executives who are, or were, Group Directors for the reporting period 2023/24. This figure is remuneration entitled to for the reporting period so will be less than the full year equivalent if a full year was not worked as a Group Director.

The total annual remuneration includes basic salary, annual performance bonus, flexible benefits allowance, a percentage of basic salary paid as a

pension allowance and taxable benefits in kind reflecting the cost to Ofcom of the provision of private medical insurance for each executive.

**Guidance Note 6:**

Cristina Nicolotti Squires joined Ofcom as Group Director, Broadcasting and Media Group on 15 January 2024 on an FTE salary of £268,550. The salary and benefits shown in Table 5 have been prorated for the reporting period (April 2023 – March 2024).

**Table 6: Interim Group Directors and leavers during the reporting period 2023/24**

Name	Guidance note reference	Months of reporting period employed	Total salary paid £	Pension entitlement/ allowance £	Flexible benefits allowance £	Benefits in kind £	Annual performance bonus £	Total remuneration paid 2023/24 £	Total remuneration paid 2022/23 £
Sachin Jogia +	7	6	114,812	17,222	6,310	1,802	-	140,146	332,405
Kevin Bakhurst +	7	4	69,012	10,352	4,048	901	6,000	90,313	316,562
Siobhan Walsh	7	10	145,036	19,777	11,688	3,033	4,000	183,534	-
Helen Hearn	7	-	-	-	-	-	-	-	86,705
<b>Total</b>								<b>413,993</b>	<b>735,672</b>

**Guidance Note 7:**

The amounts shown in Table 6 above are pro-rated for the period the Directors were employed in the 2023/24 financial year.

Sachin Jogia left on 1 September 2023 on an FTE salary of £272,950 and received an ex-gratia payment of £52,500, included above.

Kevin Bakhurst stepped down from the Board in April, and left Ofcom on 9 July 2023 on an FTE salary of £255,750.

Siobhan Walsh was appointed Interim Group Director on an FTE salary of £171,261 for the period 20 April 2023 to 31 January 2024.

Helen Hearn was temporarily Interim Group Director, Spectrum and returned to her substantive post in September 2022 on appointment of David Willis.

**Table 7: Annual Total Remuneration costs for all Ofcom Executives in reporting period**

Total salary paid £	Pension entitlement/ allowance £	Flexible benefits allowance £	Benefits in kind £	Annual performance bonus £	Total remuneration paid 2023/24 £	Total remuneration paid 2022/23 £
2,655,814	413,499	159,546	37,967	59,500	3,326,326	3,047,966

The table above is an arithmetic total of the tables 3-6 above.

The bonus paid to Group Directors and the Chief Executive represents 2.8% of the total bonus paid in 2023/24 to all colleagues.

## Exceptional payments

There were no advances or loans given to staff earning more than £100,000 during the reporting period (2022/23: nil). Expenses claimed by Chief Executive, Board, Content Board and Senior Management Specialists (SMS) staff are published on our website.<sup>8</sup>

## Off-payroll arrangements

Ofcom makes use of temporary staff to supplement the resourcing of its work where shortfalls arise due

to unexpected circumstances and to help manage the pressure on its staff during peak periods of work.

Ofcom also, from time to time, engages individuals to provide specialist commercial, digital, technical or project management expertise. As part of the engagement process, Ofcom considers whether or not these individuals are subject to off-payroll legislation.

Highly paid off-payroll worker engagements at 31 March 2024 earning £245 per day or greater.

<b>No. of temporary off-payroll workers engaged</b>	<b>9</b>
Of which number that have existed:	
For less than one year at time of reporting	3
For between one and two years at time of reporting	5
For between two and three years at time of reporting	0
For between three and four years at time of reporting	1
For four or more years at time of reporting	0

Source: Analysis of finance and outsourced partner data

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater.

<b>No. of temporary off-payroll workers engaged</b>	<b>31</b>
Of which:	
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in-scope of IR35	31
Subject to off-payroll legislation and determined as out-of-scope of IR35	0
Of which:	
No. of engagements reassessed for compliance or assurance purposes during the year	0
No. of engagements that saw a change to IR35 status following review	0

Source: Analysis of finance and outsourced partner data

There were no off-payroll engagements of Board members or senior management with significant financial responsibility between 1 April 2023 and 31 March 2024.

<sup>8</sup> <https://www.ofcom.org.uk/about-ofcom/annual-reports-and-plans/other-financial-reporting>

## Expenditure on consultancy

Ofcom spent £1.1m on consultancy in 2023/24. Use of consultancy is limited to bespoke advice and expertise required for Ofcom to fulfil its statutory duties and its scope is specific and timebound. Consultancy is commissioned where external skills are not available internally, but where a longer-term need for such skills is anticipated, Ofcom seeks to recruit permanently. Key areas of consultancy spend in 2023/34 include Online Safety, Economics, Policy and Strategy.

## Contract of employment

The Chief Executive has a notice period of 12 months. No other Executive Member of the Ofcom Board or other Ofcom colleague has a contract of employment containing a notice period exceeding nine months.

The Non-Executive Members are all on fixed-term appointments with a time commitment to Ofcom of up to three days per week (except for the Chair who commits up to three days a week and the Deputy Chair who commits up to two and a half days a week). As noted above, the role of Deputy Chair is currently vacant following the departure of Maggie Carver in January 2024.

## Compensation for early termination

The arrangements for early termination of a contract of employment for an Executive Member of the Ofcom Board, or Group Directors, are decided by the People Committee and will be made in accordance with the contract of employment of the relevant Executive Member or Group Director. Across all colleagues we have a policy in place where no ex-gratia payments in relation to early termination exceed £95,000. Each contract of employment provides for a payment in lieu of notice on early termination at Ofcom's discretion.

Non-Executive Members have no entitlement to compensation in the event of early termination.

## Outside directorships

Details of our approach to conflicts of interest including outside interests for Non-Executives and Colleagues is referenced in the Governance section of the Annual Report and Accounts.

## Losses and special payments (audited)

In accordance with managing public money, Ofcom is required to disclose individual losses and special payments over £300,000. There were no losses or special payments that require disclosure in 2023/24 (2022/23: nil).

On behalf of Ofcom,

*Melanie Dawes*

**Dame Melanie Dawes DCB**

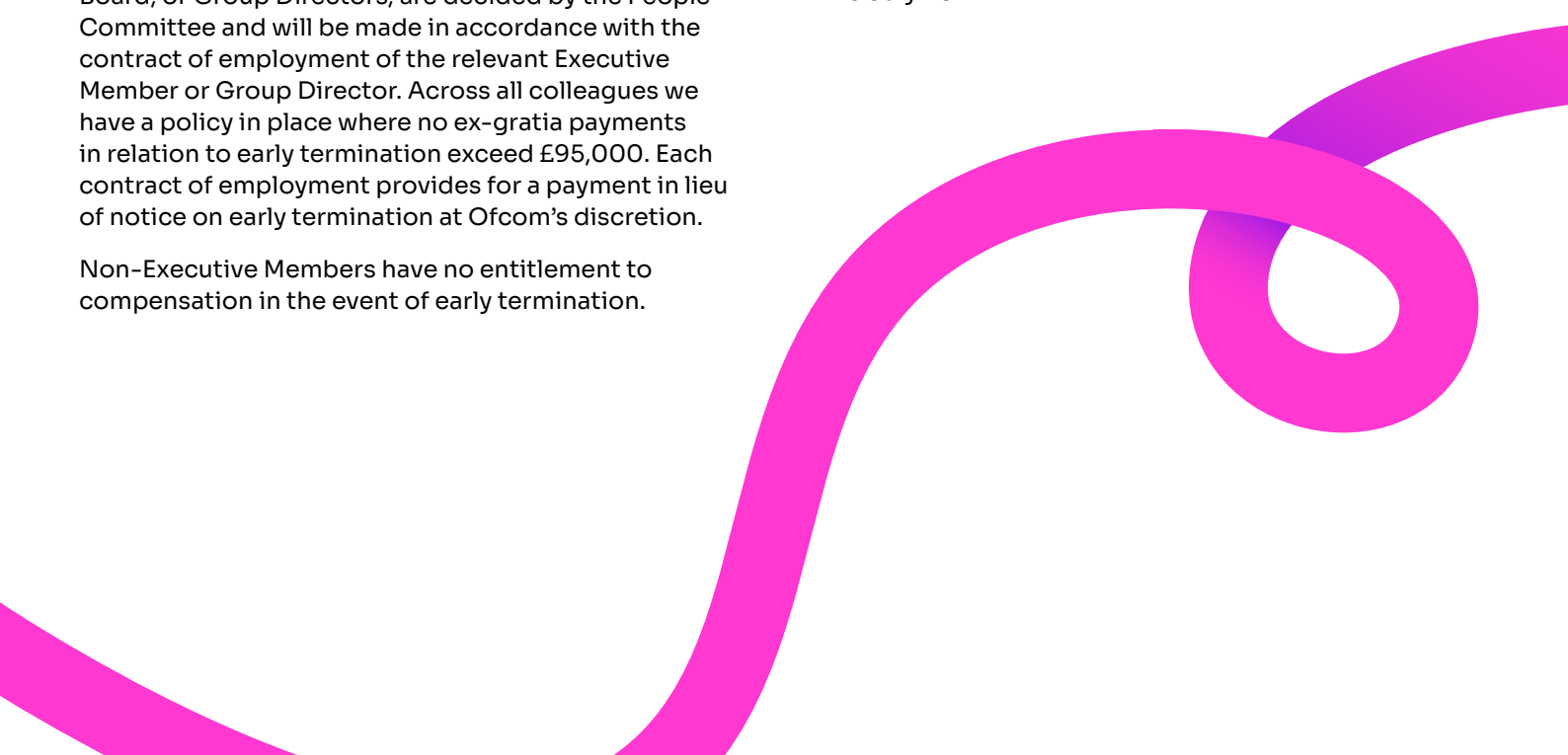
Chief Executive and Accounting Officer,



**Ben Verwaayen**

Chair of the People Committee,

25 July 2024





**At Ofcom, we believe that everyone at all levels should work together to create an inclusive and empowering work environment.**



# The certificate and report of the Comptroller and Auditor General to the Houses of Parliament, Scottish Parliament, Senedd Cymru and Northern Ireland Assembly

## Opinion on financial statements

I certify that I have audited the financial statements of the Office of Communications for the year ended 31 March 2024 under the Office of Communications Act 2002.

The financial statements comprise the Office of Communications’:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Office of Communications’ affairs as at 31 March 2024 and its deficit after tax for the year then ended; and
- have been properly prepared in accordance with the Office of Communications Act 2002 and Secretary of State directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council’s *Revised Ethical Standard 2019*. I am independent of the Office for Communications in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Office for Communications use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Office for Communications’ ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

## Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Office of Communications Act 2002.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Office of Communications Act 2002; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of the Office of Communications and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Office of Communications or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Board and Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Office of Communications from whom the auditor determines it necessary to obtain audit evidence;

- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State direction issued under the Office of Communications Act 2002;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Office of Communications Act 2002; and
- assessing the Office of Communications ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Office of Communications will not continue to be provided in the future.

### Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Office of Communications Act 2002.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Office of Communications' accounting policies.
- inquired of management, the Office of Communications' head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Office of Communications' policies and procedures on:
  - » identifying, evaluating and complying with laws and regulations;
  - » detecting and responding to the risks of fraud; and
  - » the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Office of Communications' controls relating to the Office of Communications' compliance with the Office of Communications Act 2002.
- inquired of management, the Office of Communications' head of internal audit and those charged with governance whether:
  - » they were aware of any instances of non-compliance with laws and regulations;
  - » they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Office of Communications for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Office of Communications' framework of authority and other legal and regulatory frameworks in which the Office of Communications operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Office of Communications. The key laws and regulations I considered in this context included the Office of Communications Act 2002, employment law, tax legislation and pension legislation.

### Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Risk and Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

### Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

### Report

I have no observations to make on these financial statements.

**Gareth Davies**

27 July 2024

**Comptroller and Auditor General**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London SW1W 9SP



# FINANCIAL STATEMENTS

This section sets out our financial statements and notes to the accounts for the financial year ended 31 March 2024.

SECTION

C

# Statement of income and expenditure

## For the year ended 31 March 2024

	Notes	2023/24 £,000	2022/23 £,000
Income	3	188,972	179,445
Spectrum clearance income	3	1,179	-
<b>Total income</b>		<b>190,151</b>	<b>179,445</b>
Staff costs	4	(127,149)	(108,055)
Other operating expenditure	6	(62,645)	(67,165)
Spectrum clearance expenditure	4,6	(1,179)	-
<b>Total operating expenditure</b>		<b>(190,973)</b>	<b>(175,220)</b>
<b>Operating (deficit)/surplus</b>		<b>(822)</b>	<b>4,225</b>
Finance income	14	65	66
Finance costs	17,18	(816)	(876)
Pension interest income	20	509	510
<b>(Deficit)/Surplus before tax for the year</b>		<b>(1,064)</b>	<b>3,925</b>
Taxation	7	-	-
<b>(Deficit)/Surplus after tax for the year</b>		<b>(1,064)</b>	<b>3,925</b>

The accounting policies and notes on pages 110-146 form part of these financial statements.

# Statement of comprehensive net expenditure

## For the year ended 31 March 2024

	Notes	2023/24 £,000	2022/23 £,000
<b>(Deficit)/Surplus after tax for the year</b>		<b>(1,064)</b>	<b>3,925</b>
<b>Other comprehensive expenditure</b>			
Remeasurement on pensions	20	(1,829)	(9,284)
<b>Total comprehensive expenditure</b>		<b>(2,893)</b>	<b>(5,359)</b>

The accounting policies and notes on pages 110-146 form part of these financial statements.

# Statement of financial position

As at 31 March 2024

	Notes	As at 31 March 2024 £,000	As at 31 March 2023 £,000
<b>Non-current assets</b>			
Property, plant and equipment	8	14,000	15,186
Right-of-use assets	9	33,227	35,663
Intangible assets	10	109	154
Trade and other receivables: non-current assets	12	874	2,023
Lease receivables: non-current assets	14	1,387	1,620
Retirement benefit assets	20	10,564	11,458
<b>Total non-current assets</b>		<b>60,161</b>	<b>66,104</b>
<b>Current assets</b>			
Trade and other receivables: current assets	11	14,877	12,621
Lease receivables: current assets	14	233	220
Cash and cash equivalents	13	8,270	13,396
<b>Total current assets</b>		<b>23,380</b>	<b>26,237</b>
<b>Total assets</b>		<b>83,541</b>	<b>92,341</b>
<b>Current liabilities</b>			
Trade and other payables: current liabilities	15	23,404	27,895
Lease liabilities: current liabilities	17	4,774	4,892
Provisions for liabilities and charges: current liabilities	18	13	12
<b>Total current liabilities</b>		<b>28,191</b>	<b>32,799</b>
<b>Non-current liabilities</b>			
Trade and other payables: non-current liabilities	16	1,215	237
Lease liabilities: non-current liabilities	17	31,939	34,163
Provisions for liabilities and charges: non-current liabilities	18	97	106
Retirement benefit liabilities	20	760	804
<b>Total non-current liabilities</b>		<b>34,011</b>	<b>35,310</b>
<b>Total liabilities</b>		<b>62,202</b>	<b>68,109</b>
<b>Assets less liabilities</b>		<b>21,339</b>	<b>24,232</b>
<b>Equity</b>			
Reserves		21,339	24,232
<b>Total equity</b>		<b>21,339</b>	<b>24,232</b>

The accounting policies and notes on pages 110–146 form part of these financial statements. These financial statements were approved by the Board on 25 July 2024.

*Michael Grade*  
Lord Michael Grade  
Chair

*Melanie Dawes*  
Dame Melanie Dawes DCB  
Chief Executive and Accounting Officer

# Statement of changes in equity

## For the year ended 31 March 2024

	Notes	Reserve £,000
<b>Balance as at 1 April 2022</b>		<b>29,591</b>
<b>Changes in equity for 2022/23</b>		
Remeasurement on pensions	20	(9,284)
Surplus for the year		3,925
<b>Total comprehensive expenditure for 2022/23</b>		<b>(5,359)</b>
<b>Balance as at 31 March 2023</b>		<b>24,232</b>
<b>Changes in equity for 2023/24</b>		
Remeasurement on pensions	20	(1,829)
Deficit for the year		(1,064)
<b>Total comprehensive expenditure for 2023/24</b>		<b>(2,893)</b>
<b>Balance as at 31 March 2024</b>		<b>21,339</b>

The accounting policies and notes on pages 110-146 form part of these financial statements.



# Statement of cash flows

## For the year ended 31 March 2024

	Notes	2023/24 £,000	2022/23 £,000
<b>Cash flows from operating activities</b>			
Operating (deficit)/surplus		(822)	4,225
<b>Adjustments for non-cash transactions</b>			
Depreciation	8	3,159	2,266
Depreciation of right-of-use assets	9	5,015	5,098
Amortisation	10	45	22
(Gain)/Loss on disposal of non-current assets	6	(3)	104
(Increase)/Decrease in trade and other receivables	11,12	(1,107)	6,570
Decrease in trade and other payables	15,16	(3,513)	(13,929)
Decrease in provisions	18	(13)	(12)
Decrease in retirement pension	20	(470)	(824)
<b>Net cash inflow from operating activities</b>		<b>2,291</b>	<b>3,520</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	8	(1,973)	(5,281)
Purchases of right-of-use assets		(87)	(111)
Purchases of intangible assets	10	-	(141)
Proceeds from sale of non-current assets	6	5	-
<b>Net cash outflow from investing activities</b>		<b>(2,055)</b>	<b>(5,533)</b>
<b>Cash flows from financing activities</b>			
Receipt for lease receivables	14	285	104
Payments of lease liabilities	17	(5,647)	(5,615)
<b>Net cash outflow from financing activities</b>		<b>(5,362)</b>	<b>(5,511)</b>
<b>Decrease in cash and cash equivalents in the year</b>		<b>(5,126)</b>	<b>(7,524)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>13,396</b>	<b>20,920</b>
Decrease in cash and cash equivalents in the year		(5,126)	(7,524)
<b>Closing net funds</b>	13	<b>8,270</b>	<b>13,396</b>

The accounting policies and notes on pages 110-146 form part of these financial statements.

# Notes to the accounts

## For the year ended 31 March 2024

### 1. Basis of presentation and principal accounting policies

**The Office of Communications (Ofcom)** is a statutory corporation that provides a broad range of regulatory services and is domiciled in the United Kingdom. The financial statements of Ofcom for 31 March 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) in conformity with the requirements of the Companies Act 2006. In the absence of applicable IFRS, which take precedence, Ofcom may refer to the government financial reporting manual (FRM), which offers technical accounting guide for the preparation of financial statements, provided there is no conflict.

These financial statements have been prepared on a going concern basis under the historical cost convention, except for the revaluation of certain non-current assets and financial instruments that are measured at revalued amounts or fair value, if any, under the accounts direction from the Department for Science, Innovation & Technology (DSIT).

Amounts in the financial statements are stated in pounds sterling, to the nearest thousand, which is the functional currency of Ofcom.

#### a) Adoption of new and revised standards

Certain new standards, amendments and interpretations to existing standards, listed below, have been published but do not have any material impact on the financial statements of Ofcom. The standards and statements below relate to the current accounting period. For Ofcom, the transition dates were at the start of the financial year on 1 April 2023. These amendments have no impact on our figures for the financial year ended 31 March 2024.

- IFRS 17 Insurance Contracts applicable to annual periods beginning on or after 1 January 2023.
- Amendments to IFRS 17 (Initial Application of IFRS 17 & IFRS 9 Comparative Information, applicable to annual reporting periods beginning on or after 1 January 2023). This helps avoid temporary accounting mismatches by allowing an option relating to comparative information about financial assets presented on initial application of IFRS 17.

- Amendments to IAS 1 and IFRS Practice Statement 2 (Disclosure of Accounting Policies, applicable to annual reporting periods beginning on or after 1 January 2023). This changes the requirements from disclosing 'significant' to 'material' accounting policies and provides explanations and guidance on how to identify material accounting policies.
- Amendments to IAS 8 (Definition of Accounting Estimates, applicable to annual reporting periods beginning on or after 1 January 2023). This clarifies how to distinguish changes in accounting policies from changes in accounting estimates.

Other new standards, amendments and interpretation to existing standards, listed below, have been published but do not have any material impact on the financial statements of Ofcom and these relate to future accounting periods.

- Amendments to IAS 1 (Classification of Liabilities as Current or Non-current, applicable to annual periods beginning on or after 1 January 2024). This clarifies that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period.
- Amendments to IAS 1 (Non-current Liabilities with Covenants, applicable to annual periods beginning on or after 1 January 2024). This clarifies that only those covenants with which an entity must comply on or before the end of the reporting period affect the classification of a liability as current or non-current.
- Amendments to IFRS 16 (Lease Liability in a Sale and Leaseback, applicable to annual periods beginning on or after 1 January 2024). This specifies requirements relating to measuring the lease liability in a sale and leaseback transaction after the date of the transaction.
- Amendments to IAS 7 and IFRS 7 (Supplier Finance Arrangements, applicable to annual periods beginning on or after 1 January 2024). This requires an entity to provide additional disclosures about its supplier finance arrangements.

#### b) Income recognition

Income comprises the fair value of the consideration received or receivable in the ordinary course of Ofcom's activities. Income is shown net of value-added tax, returns, rebates and discounts. Ofcom recognises income when the amount can be reliably measured, and it is probable that future economic benefits will flow to the entity.

The implication of adopting IFRS 15 directly has been assessed however given the nature of Ofcom's activities and that IFRS 15 relates to commercial organisations, it was not considered fully appropriate. Accordingly, International Accounting Standard (IAS) 8(10) has been applied to adapt IFRS 15 to Public Sector context, in order to develop an accounting policy that provides information that is relevant and reliable. In doing so, the definition of a contract has been broadened to include legislation and regulation.

IFRS 15 Revenue from Contracts with Customers has a five-stage model for the recognition of income from contracts with customers. The core principle was to recognise income so that it depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. Ofcom considered the five-step process and determined no change to the income recognition approach:

- Ofcom's regulatory activities are carried out at a sector level and thus not specific to individual customers with the exception of the BBC. Ofcom is required by the statute to raise income from each of the sectors it regulates such that it covers the costs to be incurred by Ofcom in regulating that sector together with a proper apportionment of Ofcom's 'common costs' to each of those sectors. Therefore, legislation provides the enforceability on both parties to enable Ofcom to recover its costs from stakeholders.
- The performance obligations relate to the underlying work to be undertaken by Ofcom as regulator of the Communications sector, and as set out in the published Plan of Work. The performance obligations are satisfied when Ofcom has carried out its regulatory duties.
- In each financial year, Ofcom is required to balance its costs with its income. To ensure income reflects costs to the appropriate sector, costs are allocated to sectors/stakeholders in line with the Statement of Charging Principles.
- Ofcom updates the estimated income to represent faithfully the circumstances present at the end of the financial year and the changes in circumstances during the financial year; and publishes the fees and charges for the year ahead in the tariff tables.
- Thus, income is calculated and recognised in the year the performance obligations (costs) are incurred, on the basis of cost recovery as set out in the Ofcom budget and adjusted for any under or over recoveries from the previous year. These are accounted for respectively as accrued

income in assets and deferred income in liabilities, as there is little or no uncertainty surrounding the recoverability of accrued income and the reimbursement of deferred income reported on the Statement of Financial Position.

- Income is also recognised for those costs where fees and charges cannot be raised to stakeholders, primarily for the cost of spectrum management through the retention of Wireless Telegraphy Act (WTA) licence fees in accordance with S401 of the Communications Act 2003 and the Statement of Funding Principles.
- Ofcom's income recognition policy is appropriate and in line with the requirements of IFRS 15 as adapted through IAS 8(10) and HM Treasury's interpretation for the Public Sector.

Ofcom's sources of income are grant-in-aid, WTA receipts retention, stakeholder income and other income such as rental income.

#### **Grant-in-aid from DSIT**

Grant-in-aid is provided from DSIT for the funding of 700MHz clearance programme. This programme oversees the clearance (including mitigation of potential interference) of the UHF 700MHz band. Clearance is undertaken by third parties who are funded by way of capital grants that have been considered and approved in principle by the Spectrum Clearance and Awards Programme Management Board (SCAP-MB), with final approval by HM Treasury.

The grant recipients for the programme request funding from Ofcom once the grant conditions have been satisfied. For awarded grants, Ofcom will only pay monies for actual costs incurred, and will recognise the costs on agreement to pay the recipient the requested funds.

#### **WTA receipts retention**

Fees are payable to Ofcom in relation to our spectrum management function. Following the enactment of the Digital Economy Act 2017, Ofcom may retain such sums to fund its general spectrum management functions, as well as to meet the costs of undertaking its other functions for which it cannot otherwise levy fees and charges. As agreed with both HM Treasury and DSIT, WTA receipts will also be used to fund preparatory work for new duties including Online Safety. The monthly retention amount is determined by the planned expenditure for these functions. Income recognition is on an accrual basis with any over or under recovery adjusted for in the following month's retention amount.

## Stakeholder income

### Networks and services, postal services administrative fees

These fees are charged to stakeholders in the networks and services and postal services who operate under a non-licensed regime but fall within Ofcom's regulatory powers. These charges are a combination of both planned expenditure for our regulatory work as set out in the Plan of Work and prior year adjustments. This income is accounted for on an accrual basis. Following finalisation of costs at year end, income in excess of the cash expenditure is classified as deferred income and presented on the Statement of Financial Position as a payable. Conversely, cash expenditure in excess of income received is classified as accrued income and presented on the Statement of Financial Position as a receivable at the end of the reporting date. Any over or under recovery is reflected in the following financial year's costs.

### Broadcasting licence fees

Income from broadcasting licence fees represents the amount invoiced to holders of broadcasting licences for our planned regulatory works including any prior year adjustments. This income is accounted for on an accrual basis. Income in excess of the cash expenditure in the broadcasting's sector is classified as deferred income and presented on the Statement of Financial Position as a payable. Cash expenditure in excess of income received is classified as accrued income and presented on the Statement of Financial Position as a receivable at the end of the reporting date. Any over or under recovery is reflected in the following financial year's costs.

### Application fees

For practical reasons, we charge fixed fees for discrete regulatory activities within the control of individual stakeholders (for example, a broadcasting licence application) or where relevant turnover is not an appropriate basis for charging (for example, community radio). These fees are non-refundable and accordingly, recorded as revenue on receipt of the stakeholder application. However, any under or over recovery is offset against the total sector's costs in the following year. For example, if the total expenditure for radio applications exceeds the revenue from the applications, the under recovery will be included in the total radio regulatory costs to be recovered from radio licence fee payers.

## Networks and information Systems (NIS)

Income from NIS stakeholders represent the amounts due from designated operators of essential services for our regulatory work. This income is accounted for on an accrual basis. As per the NIS regulations, this income is recovered in arrears; thus the cash expenditure is classified as accrued income and presented on the Statement of Financial Position as a receivable at the end of the reporting date.

### Other income

Non-statutory income is accounted for on an accruals basis and is matched with the expenditure towards which it contributes.

Ofcom is required by legislation to produce a statement of income received, income outstanding, likely to be paid or recovered, and the costs in respect of its regulatory functions. This is shown in Note 2 to the financial statements, thus providing transparency on Ofcom's deferred and accrued income per sector.

## c) MG Alba

In accordance with Section 210 of the Communications Act 2003 and Section 183 of the Broadcasting Act 1990, the sums paid by the Scottish Ministers to Ofcom are subsequently paid by Ofcom to the Gaelic Broadcasting Fund managed by MG Alba. As a result, this is not reflected in Ofcom's financial statements.

## d) Receipts collected by Ofcom within the scope of Section 400 of the Communications Act 2003

Under Section 400 of the Communications Act 2003, Ofcom is required to collect fees and payments.

The income collected is from five main sources:

- WTA licence fees;
- Government department spectrum fees;
- Financial penalties;
- Additional payments from television and radio licensees; and
- Geographic numbering.

The income collected (excluding that retained under the Digital Economy Act 2017) was passed to the UK Consolidated Fund at HM Treasury, the Department of Finance and Personnel - Northern Ireland (DFPNI) and to the Treasuries of the Isle of Man, the Bailiwick of Jersey and the Bailiwick of Guernsey under

Statutory Instrument 1991, Numbers 998, 1710 and 1709 respectively, directly or via DSIT as Ofcom's sponsoring body.

Ofcom prepares a separate set of financial statements to 31 March each year for the purposes of Section 400 of the Communications Act 2003 which are laid before Parliament.

Thus, no receipts, payments or related Statement of Financial Position items are made in Ofcom's Financial Statements in respect of Section 400 related transactions, unless payments and fees have been collected and deposited into Ofcom's main bank account at the end of the reporting date.

## e) Property, plant and equipment

Property, plant and equipment include the purchase of new assets and extensions to, enhancements to, or replacement of, existing assets.

Where property, plant and equipment qualify for recognition as an asset, it is initially measured at its cost. The minimum capitalisation threshold is £2,500 and property, plant and equipment is recorded at cost or deemed cost, less accumulated depreciation

and any impairment losses. Capitalisation thresholds are applied to individual items unless it is more appropriate to apply the criteria to an aggregated value. For example, fixed computer hardware such as servers, firewalls and network switches used in offices are capitalised. Whereas, low-value, short-life moveable IT equipment is expensed, as Ofcom has no control over the physical environment or manner in which usage takes place.

Any additional costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Ofcom and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

For subsequent measurement of all its property, plant, and equipment, Ofcom follows the cost method, as permitted under IAS 16 Property, Plant and Equipment.

Property, plant and equipment are depreciated on a straight-line basis, at rates estimated to write off their book values over their estimated useful lives as follows:

Leasehold improvements	Period of the lease
Fixtures and fittings	7 years
Office and field equipment	4 to 7 years
Computer hardware	3 to 5 years
Vehicles	5 years

Depreciation is charged to the Statement of Income and Expenditure from the month following that in which an asset is brought into service. The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Assets under construction represent costs incurred in developing tangible assets. Upon completion, these assets will be transferred to the relevant asset class and depreciated according to the accounting policy.

Gains and losses on disposals are recognised within '(Gain)/Loss on disposal of non-current assets' in the 'Other operating expenditure' note per the Statement of Income and Expenditure.

## f) Right-of-use assets and lease liabilities

For any new contracts, Ofcom considers whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition Ofcom assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Ofcom;
- Ofcom has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;

- Ofcom has the right to direct the use of the identified asset throughout the period of use. Ofcom assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, Ofcom recognises right-of-use asset and lease liability excluding VAT on the Statement of Financial Position. Right-of-use assets are measured at cost, which is made up of the initial measurement of the lease liability, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received) up to the end of or extension of lease, whichever is later, or up to termination of lease if any.

Ofcom depreciates the right-of-use assets on a straight-line basis at rates estimated to write off their book values from the month in which an asset is brought into service, to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Ofcom also assesses the right-of-use asset for impairment when such indicators exist.

The minimum capitalisation threshold is £2,500 and right-of-use assets are recorded at total costs of the leased contract, less accumulated depreciation and any impairment losses. Capitalisation thresholds are applied to individual items unless it is more appropriate to apply the criteria to an aggregated value.

Subsequent to initial measurement, the carrying amount of the right-of-use asset is adjusted by the same amount as the adjustment to the carrying value of the lease liability. There is no immediate gain or loss, but the revised cash flows will impact the Statement of Income and Expenditure over the remaining term of the lease. Exceptions to this principle are when a reduction in the carrying value of the lease liability is greater than the carrying value of the related right-of-use asset at the point of remeasurement, in which case the asset is reduced to nil and the excess is recognised in the Statement of Income and Expenditure, and in many cases where a lease modification decreases the scope of an existing lease. Revaluation of right-of-use assets, if any, will be recognised in the revaluation reserve.

Ofcom measures the lease liability at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the

lease if that rate is readily available or in accordance with HM Treasury rate of 4.72% for calendar year 2024 (3.51% for calendar year 2023).

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), and if any, the variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or the Statement of Income and Expenditure if the right-of-use asset is already reduced to zero.

Ofcom has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expenditure in the Statement of Income and Expenditure.

Liability for leases not yet commenced to which Ofcom is committed to, is recorded on the Statement of Financial Position only from the date of a signed lease agreement.

### Initial direct costs

These are the incremental costs of obtaining a lease that would not have been incurred if the lease had not been obtained. These might include costs such as finder's fees, commissions to agents for establishing the lease and up-front fees. Ofcom has incurred such costs as a result of signing new leases during the year and these have been added to the right-of-use assets in the financial statements.

### Use of hindsight

An entity may use hindsight in determining the lease term if the contract contains options to extend or terminate the lease. It is available only when an entity follows a modified retrospective approach. A key benefit of a modified retrospective approach is that an entity can transition its operating leases using information as at the date of initial application.

## Subleases

IFRS 16 Leases requires an intermediate lessor to classify subleases as a finance lease or an operating lease as follows:

- If the head lease is a short-term lease, the sublease is classified as an operating lease;
- Otherwise, the sublease is classified with reference to the right-of-use asset arising from the head lease, rather than with reference to the underlying asset.

Ofcom has classified its subleases as finance lease and therefore:

- Derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee, and recognises the net investment in the sublease.
- Recognises any difference between the right-of-use asset and the net investment in the sublease in the Statement of Income and Expenditure as (Gain)/Loss on disposal of non-current assets.
- Retains the lease liability relating to the head lease in the Statement of Financial Position, which represents the lease payments owed to the head lessor.

During the sublease, Ofcom as the intermediate lessor, recognises interest expense on the head lease (lease liability) and finance income on the sublease in the Statement of Income and Expenditure.

## g) Intangible assets

After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment losses as per IAS 38 Intangible Assets. Expenditure capitalised includes the costs of software applications, related licence fees, and the information technology which relates to the development of our core systems. The minimum capitalisation threshold is £2,500. Capitalisation thresholds are applied to individual items unless it is more appropriate to apply the criteria to an aggregated value.

Internally generated intangible non-current assets, such as computer software, are recognised only if an asset is created that can be identified. Where no internally-generated intangible asset can be recognised, development cost is recorded as an expenditure in the period in which it is incurred.

Any additional costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Ofcom and the cost of the item can be measured

reliably. The carrying amount of the replaced part is derecognised.

Amortisation on capitalised intangible asset is charged to the Statement of Income and Expenditure on a straight-line basis, from the month following that in which an asset is brought into service, over the estimated useful life of the asset of three to five years. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Systems under development comprise of costs incurred in developing software, which will replace some of the current applications. Upon completion, these assets will be transferred to the relevant asset class and amortised according to the accounting policy.

Gains and losses on disposals are recognised within '(Gain)/Loss on disposal of non-current assets' in the 'Other operating expenditure' note per the Statement of Income and Expenditure.

## h) Impairment of property, plant and equipment, intangible assets and right-of-use assets

At each reporting date, the carrying value of non-current assets are reviewed to determine if there is some indication that the carrying value of the assets may have been impaired as per IAS 36 Impairment of Assets.

An asset's carrying amount is written down immediately, as an impairment loss, to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

On adoption of IFRS 16, all impairment and onerous leases across existing leased properties were remeasured to take account of the impact of the change in accounting for leases on the measurement of impairments. No changes in underlying assumptions were made during this remeasurement.

Material impairments are disclosed separately in the notes to the Statement of Income and Expenditure and the Statement of Financial Position. Assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

## i) Financial instruments

### Trade and other receivables

Trade receivables are amounts due from stakeholders for licences, fees and charges. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are non-interest bearing and recognised initially at fair value less any write off for impairment. Gains and losses on subsequent measurement are recognised as fair value entirely in the Statement of Income and Expenditure.

Prepayments are payments which have been made, but the benefits of which have not been consumed.

Accrued income – see Note 1(b) income recognition.

### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and amounts due to the Consolidated Fund. Interest income receivable on cash and cash equivalents is recognised as it is earned.

### Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are non-interest bearing and recognised initially at fair value.

Other payables represent money owing to third parties at the reporting date.

Deferred income – see Note 1(b) income recognition.

## Financial risks and impairment of financial instruments

IAS 32 Financial Instruments: Presentation requires disclosure of the role which financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. Ofcom has no significant exposure to liquidity, interest rate or currency risks. Because of the nature of activities and the way in which Ofcom is financed, it is not exposed to the degree of financial risks faced by commercial business entities.

Moreover, financial instruments play a limited role in creating or changing risk as compared to listed companies to which IAS 32 mainly applies. Ofcom has very limited powers to borrow or invest surplus funds. Financial assets and liabilities that are generated by day-to-day operational activities do not change the risks facing Ofcom in undertaking its activities.

The adoption of IFRS 9 Financial Instruments has no material impact to Ofcom's results. Ofcom's trade receivables or contract assets have no significant financing component nor exposure to credit risks, with any under-recovery of stakeholder fees each year to be recovered through the following years' tariffs. Ofcom has assessed the loss allowance at initial recognition at an amount equal to lifetime expected credit loss, and the outcome was immaterial. Therefore, to ensure this remains the same throughout the life of the receivable, Ofcom continues to appraise the robustness of its monthly credit control and impairment of financial assets, if any, at the end of each financial year.

## j) Employee benefits

### Pensions

Ofcom has a range of pension plans which include a defined contribution plan, two defined benefit plans and an unfunded plan.

### Defined contribution scheme

A defined contribution plan is a post-employment benefit under which Ofcom pays contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations under Ofcom's defined contribution scheme are recognised within staff costs as an expenditure in the Statement of Income and Expenditure as incurred. New staff may join the stakeholder pension scheme, which is a defined contribution scheme.



### Defined benefit plans

A defined benefit plan is a post-employment benefit where the benefits its members are entitled to are pre-determined by a formula. Ofcom's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned during their membership of the plan. That benefit is discounted to determine its present value and the fair value of plan assets is deducted. The discount rate is the yield at the reporting date on high quality bonds that have maturity dates approximating the terms of Ofcom's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method.

When the calculation results in a benefit to Ofcom, the recognised asset is limited to the present value of any future refunds. Actuarial gains and losses are recognised in other comprehensive income/ (expenditure) within the Statement of Comprehensive Net Income/(Expenditure) in full in the period in which they occur. Interest income and costs, and administration costs of the defined benefit plans are recognised in the Statement of Income and Expenditure in the current period.

Ofcom participates in two defined benefit pension schemes which relate to staff that transferred to Ofcom from legacy regulators. These schemes are closed to new members and following consultation with Plan members have been closed for future accrual as from 1 June 2011.

The Ofcom Defined Benefit Pension Plan provides benefits that are broadly equivalent to the Principal Civil Service Pension Scheme (PCSPS). The second scheme is the Ofcom (Former ITC) Staff Pension Plan. This is a multi-employer scheme with Ofcom, S4C, S4C Masnachol and the Advertising Standards Authority (ASA) as participating employers, the financial statements represent Ofcom's share of the assets and liabilities. The assets of both schemes are held in separately administered trusts.

IAS 19 Employee Benefits, requires that, where a scheme is in surplus according to the IAS 19 assumptions, the surplus can only be recognised on the Statement of Financial Position if an economic benefit is "available" to it because of the surplus.

### Unfunded schemes

Ofcom also has liabilities in respect of pension payments to two former Chairmen of the Independent Television Commission, one former Chairman of the

Radio Authority and two former Directors General of The Office of Telecommunications. These unfunded benefits are accounted for under IAS 19 via a provision in the Statement of Financial Position equal to the actuarial value of these liabilities.

### Colleague leave liability

Under IAS 19, all costs must be recorded as an expenditure as soon as the obligation to pay employees arises. This includes the cost of any untaken leave as at the year end.

Colleagues who have completed five years of continuous service are entitled to a paid sabbatical of five weeks and thereafter accrue one week for each additional year of service subject to a maximum of ten weeks.

An accrual, based on management's best estimates using current salary data is included as part of accruals. As from 1 January 2008, this benefit was withdrawn for new employees.

### k) Provisions

Provisions for early retirement and legal provisions are recognised in the following circumstances.

The severance package for some colleagues who transferred to Ofcom on their old Civil Service terms and conditions of employment are provided from the date of early retirement until retiring age. The colleague receives an annual compensation payment equal to the preserved pension which is paid by monthly instalments in arrears like a pension. It begins to accrue on the day immediately following the date of retirement and continues until the preserved pension comes into payment, when it stops.

Ofcom has a present legal or constructive obligation as a result of past events and for estimated third party legal costs and damages in respect of challenges to regulatory decisions of Ofcom where it is judged probable that these will be payable; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

### l) Foreign exchange

Transactions designated in foreign currencies are translated into pounds sterling at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities designated in foreign currencies are translated at the rates prevailing at the reporting date with the resulting profit or loss recognised in the Statement of Income and Expenditure for the year.

### m) Current tax

HM Revenue and Customs has ruled that Ofcom's regulatory functions do not constitute a trading business. Consequently, Ofcom is unable to recover VAT on expenditure which it incurs as part of its regulatory activities.

Corporation Tax is assessable on interest received, and in respect of rental income.

### n) Segmental analysis

A segment is a distinguishable component of the organisation that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), and is subject to risks and rewards that are different from those of other segments. No analysis of Ofcom's turnover from operations by geographical segment or business segment has been presented as all Ofcom's activities are carried out in the UK and within the regulatory sector. However, in order to meet with the requirements of the Communications Act 2003 to provide information on costs and fees, Note 2 to these financial statements presents the Statement of Income and Expenditure for the year under review by sector.

### o) Areas of judgement and key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of income and expenditure during the reporting period. Actual results could differ from these estimates. Information about such judgements and estimations is contained in the accounting policies or the notes to the financial statements, and the key areas are summarised below.

The areas of judgement that have the most significant effect on the amounts recognised in the financial statements are as follow:

- Legal provisions – accounting policy (k)
- Income recognition and assessment of unbilled income – accounting policy (b)

The sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follow:

- Estimation of liabilities for pensions and other post-retirement benefits – accounting policy (j)
- Judgement about whether a contract contains a lease (f)



## 2. Sectoral analysis

The analysis below refers to income by sector for the year ended 31 March 2024, together with attributable costs. This is prepared in accordance with the Communications Act 2003 and Postal Services Act 2011 and not in terms of IFRS 8 Operating Segments, as per the accounting policy Note 1(n).

	Spectrum management	Spectrum clearance	Satellite filings	Network information & services	Networks & services	Broadcasting	Online safety	Postal regulation	Other regulatory activities	2023/24 Total	2022/23 Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
<b>Income</b>											
Licence, regulation & administration fees	-	-	240	-	39,311	22,058	-	5,886	-	67,495	71,333
Application fees	-	-	-	-	90	132	-	-	-	222	399
Grant-in-aid (GIA)	-	1,356	-	-	-	-	-	-	-	1,356	1,356
WTA receipts retention	53,968	-	-	-	-	-	55,150	-	13,917	123,035	108,867
Accrued/(Deferred) income	(1,319)	(177)	614	381	(4,103)	1,675	(869)	(958)	1,498	(3,258)	(2,931)
<b>Operating income</b>	<b>52,649</b>	<b>1,179</b>	<b>854</b>	<b>381</b>	<b>35,298</b>	<b>23,865</b>	<b>54,281</b>	<b>4,928</b>	<b>15,415</b>	<b>188,850</b>	<b>179,024</b>
Other income	148	-	3	1	105	71	161	15	154	658	323
Interest receivable	173	-	3	1	123	83	189	17	54	643	98
<b>Total income (Cash income)</b>	<b>52,970</b>	<b>1,179</b>	<b>860</b>	<b>383</b>	<b>35,526</b>	<b>24,019</b>	<b>54,631</b>	<b>4,960</b>	<b>15,623</b>	<b>190,151</b>	<b>179,445</b>
Adjustment to operating expenditure	(321)	-	(6)	(2)	(228)	(154)	(350)	(32)	(208)	(1,301)	(421)
Other costs	(52,649)	(1,179)	(854)	(381)	(35,298)	(23,865)	(54,281)	(4,928)	(15,415)	(188,850)	(179,024)
<b>Cash operating expenditure</b>	<b>(52,970)</b>	<b>(1,179)</b>	<b>(860)</b>	<b>(383)</b>	<b>(35,526)</b>	<b>(24,019)</b>	<b>(54,631)</b>	<b>(4,960)</b>	<b>(15,623)</b>	<b>(190,151)</b>	<b>(179,445)</b>
Legal settlement	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>(52,970)</b>	<b>(1,179)</b>	<b>(860)</b>	<b>(383)</b>	<b>(35,526)</b>	<b>(24,019)</b>	<b>(54,631)</b>	<b>(4,960)</b>	<b>(15,623)</b>	<b>(190,151)</b>	<b>(179,445)</b>
<b>Surplus on cash costs basis</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Comparative costs by sector											
<b>Year ended 31 March 2024</b>	<b>(52,970)</b>	<b>(1,179)</b>	<b>(860)</b>	<b>(383)</b>	<b>(35,526)</b>	<b>(24,019)</b>	<b>(54,631)</b>	<b>(4,960)</b>	<b>(15,623)</b>	<b>(190,151)</b>	<b>-</b>
Year ended 31 March 2023	(54,529)	-	(822)	(268)	(40,545)	(22,362)	(45,511)	(4,703)	(10,705)	(179,445)	-

Other regulatory activities comprise:

- expenditure in respect of duties for competition enquiries, public interest test activity, nuisance calls, consumer protection, preparatory work for online safety duty and the costs of our telecom security duties; WTA receipts are used to fund these cost categories;
- adjudicator income;
- commercial activities including spectrum interference work; and
- rental income from sub-letting surplus properties' space.

In accordance with Ofcom's accounting policies, as set out in Note 1(b) to these accounts, grant-in-aid and WTA receipts retention are allocated and matched to costs in the year to which they relate.

The table on page 119 is prepared on an adjusted cash basis, which includes capital expenditure and actual contributions to pension schemes, but excludes depreciation and amortisation.

Ofcom's licence and administrative fees are based on an estimate of cash costs. Where in the current year there is an excess of income over expenditure, the surplus will be rebated to the relevant stakeholders. Alternately, where in the current year there is an excess of expenditure over income, the deficit will be collected from the relevant stakeholders, in accordance with the Statement of Charging Principles.

Broadcasting includes the charge to the BBC in relation to BBC regulatory responsibilities.

There was no grant-in-aid claim for our spectrum clearance work, however, we have utilised some of the deferred income balance from 2022/23 to offset the costs incurred in 2023/24.

Income and Expenditure for Online Safety has increased as Ofcom progress on the preparatory work in this sector.



## Reconciliation from operating expenditure to final operating costs out-turn

	Notes	2023/24 £,000	2022/23 £,000
<b>Operating expenditure – Statement of Income and Expenditure</b>		<b>190,973</b>	<b>175,220</b>
Adjustments in respect of pension asset and liability		386	749
Capital expenditure less depreciation and amortisation	8,10	(1,231)	3,134
Right-of-use assets depreciation	9	(5,015)	(5,098)
Lease receivables	14	(285)	(104)
Lease payments	17	5,647	5,615
Other adjustments		(324)	(71)
<b>Cash operating expenditure</b>		<b>190,151</b>	<b>179,445</b>
Spectrum Clearance	4,6	(1,179)	-
International Telecommunication Union (ITU) Subscription		(2,826)	(2,638)
Non-operating income	-	(1,301)	(418)
<b>Finance operating costs out-turn</b>		<b>184,845</b>	<b>176,389</b>

Other adjustments reflect the movement in year of non cash related matters.

Non-operating income includes higher bank interest received, attributed to a rise in interest rates.

As required by both the Communications Act 2003 and Postal Services Act 2011, the table below shows cash received during the financial year and the amount outstanding for the Network & services, Broadcasting and Post sectors.

	Cash received in 2023/24 £,000	Amount outstanding £,000
<b>Sectors</b>		
Networks & services	29,359	20
Broadcasting	21,667	56
Post	4,839	425
<b>Total</b>	<b>55,865</b>	<b>501</b>

### 3. Income

	Ofcom £,000	Spectrum clearance £,000	Total 2023/24 £,000	Ofcom £,000	Spectrum clearance £,000	Total 2022/23 £,000
<b>Grant-in-aid from DSIT</b>						
Spectrum Clearance	-	1,179	1,179	-	-	-
<b>Total grant-in-aid</b>	<b>-</b>	<b>1,179</b>	<b>1,179</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>WTA receipts retention</b>						
Spectrum management	52,649	-	52,649	54,273	-	54,273
Online safety	54,281	-	54,281	45,452	-	45,452
Ex-post competition	1,506	-	1,506	444	-	444
Nuisance calls	26	-	26	52	-	52
Consumer protection	1	-	1	3	-	3
Video sharing platform	4,031	-	4,031	5,095	-	5,095
Public interest test	270	-	270	-	-	-
Telecoms security duties	6,649	-	6,649	4,773	-	4,773
Network and information systems	267	-	267	95	-	95
HFSS	277	-	277	207	-	207
Media Act	920	-	920	24	-	24
Media ownership	848	-	848	-	-	-
Premium rate services	620	-	620	-	-	-
Satellite filings	854	-	854	821	-	821
<b>Total WTA receipts retention</b>	<b>123,199</b>	<b>-</b>	<b>123,199</b>	<b>111,239</b>	<b>-</b>	<b>111,239</b>
<b>Stakeholder income</b>						
Networks and services administrative and application fees	35,298	-	35,298	40,493	-	40,493
Broadcasting Act licence and application fees	23,631	-	23,631	21,974	-	21,974
Postal regulation	4,928	-	4,928	4,696	-	4,696
Video on demand	234	-	234	359	-	359
Networks and information systems	381	-	381	268	-	268
Sublease income	144	-	144	14	-	14
Other income	1,157	-	1,157	402	-	402
<b>Total stakeholder income</b>	<b>65,773</b>	<b>-</b>	<b>65,773</b>	<b>68,206</b>	<b>-</b>	<b>68,206</b>
<b>Total income</b>	<b>188,972</b>	<b>1,179</b>	<b>190,151</b>	<b>179,445</b>	<b>-</b>	<b>179,445</b>

Broadcasting Act licence and application fees include the charge to the BBC in relation to BBC regulatory responsibilities.

Spectrum clearance income has been presented separately from core Ofcom income in order to provide a more meaningful comparison between the years.

## 4. Staff costs

	Ofcom £,000	Spectrum clearance £,000	Total 2023/24 £,000	Ofcom £,000	Spectrum clearance £,000	Total 2022/23 £,000
<b>Staff costs, including fees paid to Board Members, were:</b>						
Salaries and benefits	104,145	-	104,145	88,405	-	88,405
National Insurance costs	11,761	-	11,761	10,197	-	10,197
Pension costs	10,299	-	10,299	9,017	-	9,017
Restructuring costs	944	-	944	436	-	436
<b>Total staff costs</b>	<b>127,149</b>	<b>-</b>	<b>127,149</b>	<b>108,055</b>	<b>-</b>	<b>108,055</b>

Spectrum clearance costs have been presented separately from core Ofcom staff costs in order to provide a more meaningful comparison between the years.

During the year, 13 (2022/23: 18) employees were seconded to other organisations and thus this credit is included within the staff costs line in the table above.

The restructuring costs in 2023/24 relate to restructuring activities completed in the year for 18 employees (2022/23: 10) and includes costs unpaid at year end relating to 6 employees (2022/23: 2).

More detailed information in respect of the remuneration and pension entitlements of the senior executives and Group Directors is shown in the remuneration report on pages 132-139.

## 5. Employee numbers

	2023/24	2022/23
The average number of employees (full time equivalents)	1,424	1,256

As at 31 March 2024, Ofcom had 1,483 employees (full time equivalents) (2022/23: 1,353), an increase from the previous year primarily as a result of the preparation work for our new duty regarding Online Safety.

Non-Executive Members of the Ofcom Board, Content Board, Advisory Committees and employees seconded to Ofcom are excluded from employee numbers.

## 6. Other operating expenditure

	Ofcom	Spectrum clearance	Total 2023/24	Ofcom	Spectrum clearance	Total 2022/23
	£,000	£,000	£,000	£,000	£,000	£,000
Auditor's remuneration – statutory audit fees	136	-	136	130	-	130
Auditor's remuneration – Section 400	18	-	18	17	-	17
Professional fees	3,530	-	3,530	5,980	-	5,980
Outsourced services	14,758	-	14,758	12,168	-	12,168
Audience and consumer research	6,767	-	6,767	7,822	-	7,822
Technological research and spectrum efficiency projects	491	-	491	1,184	-	1,184
Spectrum clearance scheme	-	1,179	1,179	-	-	-
Temporary staff and recruitment	3,707	-	3,707	5,787	-	5,787
Travel and subsistence	1,994	-	1,994	1,868	-	1,868
Premises costs	6,912	-	6,912	7,496	-	7,496
Administration and office expenses	8,215	-	8,215	8,760	-	8,760
Information and technology costs	7,751	-	7,751	8,227	-	8,227
Vehicles	146	-	146	190	-	190
Bad and doubtful debt	4	-	4	46	-	46
Amortisation	45	-	45	22	-	22
Depreciation	3,159	-	3,159	2,266	-	2,266
Depreciation ROU lease assets	5,015	-	5,015	5,098	-	5,098
(Gain)/Loss on disposal of non-current assets	(3)	-	(3)	104	-	104
<b>Total other operating expenditure</b>	<b>62,645</b>	<b>1,179</b>	<b>63,824</b>	<b>67,165</b>	<b>-</b>	<b>67,165</b>

Spectrum clearance costs have been presented separately from core Ofcom other operating expenditure in order to aid transparency and provide a more meaningful comparison between the years. The costs incurred during the year relates to the decommissioning works carried out at the temporary mast site at Emley Moor.

The decrease in professional fees is due to lower costs incurred on Online Safety and Data Strategy Licence.

The increase in outsourced services is largely driven by Online Safety duties carried out during the year.



## 7. Taxation

	2023/24 £,000	2022/23 £,000
<b>Reconciliation of tax charge</b>		
(Deficit)/Surplus before tax for the year	(1,064)	3,925
Tax on profit at the UK standard rate of Corporation Tax of 25% (2022/23: 19%)	(266)	746
<b>Tax effect of:</b>		
Income not subject to tax	(47,316)	(34,070)
Expenses not subject to tax	47,804	33,349
Decrease to brought forward tax losses	(222)	(25)
<b>Tax charge</b>	<b>-</b>	<b>-</b>

At the reporting date, Ofcom had unutilised tax losses available for offset against future taxable income of £10,267k (2022/23: £11,155k). No deferred tax asset is recognised in respect of these losses as it is not probable that sufficient taxable income will arise against which the losses can be utilised.

## 8. Property, plant and equipment

	Leasehold improvements	Fixtures and fittings	Office and field equipment	Computer hardware	Vehicles	Assets under construction	Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
<b>Cost</b>							
<b>At 1 April 2022</b>	<b>8,324</b>	<b>1,991</b>	<b>10,890</b>	<b>2,301</b>	<b>736</b>	<b>2,981</b>	<b>27,223</b>
Additions during year	1,305	235	1,559	22	-	2,160	5,281
Disposals	(19)	-	(88)	(19)	-	-	(126)
Transfers	386	12	2,411	1,344	-	(4,153)	-
<b>At 31 March 2023</b>	<b>9,996</b>	<b>2,238</b>	<b>14,772</b>	<b>3,648</b>	<b>736</b>	<b>988</b>	<b>32,378</b>
Additions during year	231	11	262	-	-	1,469	1,973
Disposals	(107)	(15)	-	(500)	(26)	-	(648)
Transfers	715	-	540	610	-	(1,865)	-
<b>Cost at 31 March 2024</b>	<b>10,835</b>	<b>2,234</b>	<b>15,574</b>	<b>3,758</b>	<b>710</b>	<b>592</b>	<b>33,703</b>
<b>Depreciation</b>							
<b>At 1 April 2022</b>	<b>2,884</b>	<b>1,033</b>	<b>8,776</b>	<b>1,666</b>	<b>678</b>	<b>-</b>	<b>15,037</b>
Charge for the year	677	271	906	356	56	-	2,266
Disposals	(4)	-	(88)	(19)	-	-	(111)
<b>At 31 March 2023</b>	<b>3,557</b>	<b>1,304</b>	<b>9,594</b>	<b>2,003</b>	<b>734</b>	<b>-</b>	<b>17,192</b>
Charge for the year	906	294	1,129	828	2	-	3,159
Disposals	(107)	(15)	-	(500)	(26)	-	(648)
<b>Accumulated depreciation at 31 March 2024</b>	<b>4,356</b>	<b>1,583</b>	<b>10,723</b>	<b>2,331</b>	<b>710</b>	<b>-</b>	<b>19,703</b>
<b>NBV 31 March 2024</b>	<b>6,479</b>	<b>651</b>	<b>4,851</b>	<b>1,427</b>	<b>-</b>	<b>592</b>	<b>14,000</b>
<b>NBV 31 March 2023</b>	<b>6,439</b>	<b>934</b>	<b>5,178</b>	<b>1,645</b>	<b>2</b>	<b>988</b>	<b>15,186</b>

Equipment purchased for the Spectrum clearance and Awards program has been included in Ofcom's asset registers under Field Equipment.

## 9. Right-of-use assets

Ofcom leases of assets include buildings, vehicles and office equipment. Information about leases for which Ofcom is a lessee is presented below.

	Buildings £,000	Vehicles £,000	Others £,000	Total £,000
<b>Cost</b>				
<b>At 1 April 2022</b>	<b>53,136</b>	<b>757</b>	<b>240</b>	<b>54,133</b>
Additions during year	3,105	-	-	3,105
Disposals	(3,165)	(159)	(115)	(3,439)
<b>At 31 March 2023</b>	<b>53,076</b>	<b>598</b>	<b>125</b>	<b>53,799</b>
Additions during year	2,573	8	-	2,581
Disposals	(341)	(22)	(11)	(374)
<b>Cost at 31 March 2024</b>	<b>55,308</b>	<b>584</b>	<b>114</b>	<b>56,006</b>
<b>Depreciation</b>				
<b>At 1 April 2022</b>	<b>14,085</b>	<b>266</b>	<b>159</b>	<b>14,510</b>
Charge for the year	4,950	123	25	5,098
Decreases	(1,198)	(159)	(115)	(1,472)
<b>At 31 March 2023</b>	<b>17,837</b>	<b>230</b>	<b>69</b>	<b>18,136</b>
Charge for the year	4,874	118	23	5,015
Decreases	(341)	(20)	(11)	(372)
<b>Accumulated depreciation at 31 March 2024</b>	<b>22,370</b>	<b>328</b>	<b>81</b>	<b>22,779</b>
<b>NBV 31 March 2024</b>	<b>32,938</b>	<b>256</b>	<b>33</b>	<b>33,227</b>
NBV 31 March 2023	35,239	368	56	35,663

Ofcom entered into new leases for the current offices in Manchester and Cardiff this financial year.

## 10. Intangible assets

	Software licences £,000	Information technology £,000	Systems under development £,000	Total £,000
<b>Cost</b>				
<b>At 1 April 2022</b>	<b>5,112</b>	<b>17,675</b>	<b>4</b>	<b>22,791</b>
Additions during year	-	55	86	141
Disposals	(734)	(5,375)	-	(6,109)
<b>At 31 March 2023</b>	<b>4,378</b>	<b>12,355</b>	<b>90</b>	<b>16,823</b>
Disposals	-	(2)	-	(2)
Transfers	4	86	(90)	-
<b>Cost at 31 March 2024</b>	<b>4,382</b>	<b>12,439</b>	<b>-</b>	<b>16,821</b>
<b>Amortisation</b>				
<b>At 1 April 2022</b>	<b>5,112</b>	<b>17,644</b>	<b>-</b>	<b>22,756</b>
Charge for the year	-	22	-	22
Disposals	(734)	(5,375)	-	(6,109)
<b>At 31 March 2023</b>	<b>4,378</b>	<b>12,291</b>	<b>-</b>	<b>16,669</b>
Charge for the year	1	44	-	45
Disposals	-	(2)	-	(2)
<b>Accumulated amortisation at 31 March 2024</b>	<b>4,379</b>	<b>12,333</b>	<b>-</b>	<b>16,712</b>
<b>NBV 31 March 2024</b>	<b>3</b>	<b>106</b>	<b>-</b>	<b>109</b>
NBV 31 March 2023	-	64	90	154

## 11. Trade and other receivables: Current assets

	As at 31 March 2024	As at 31 March 2023
	£,000	£,000
Trade receivables	804	232
Other receivables	80	70
Prepayments	7,199	7,474
Staff loans and advances	36	36
Accrued Income - Other	-	9
Accrued Income - Stakeholder	2,487	980
Accrued Income - WTA Receipts	4,271	3,820
<b>Total trade and other receivables: current assets</b>	<b>14,877</b>	<b>12,621</b>

The increase in Trade receivables was mainly due to postal and other invoices raised in the final week of March 2024.

The increase in 'Accrued Income - Stakeholder' is due to higher activity in the Broadcasting sector.

## 12. Trade and other receivables: non-current assets

	As at 31 March 2024	As at 31 March 2023
	£,000	£,000
Accrued Income - Stakeholder	874	2,023
<b>Total trade and other receivables: non-current assets</b>	<b>874</b>	<b>2,023</b>

The decrease is due to the actual costs being more in line with the forecast compared to the prior year.

### 13. Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
	£,000	£,000
Commercial banks and cash in hand	8,270	13,396
<b>Total cash and cash equivalents</b>	<b>8,270</b>	<b>13,396</b>

All activities and cash balances relating to licence fees and penalties are separated from the Ofcom accounts and are disclosed in the Section 400 accounts.

The closing balance as at 31 March 2024, includes £765k in life assurance benefits received from the insurance company, which will be paid to the beneficiaries of two colleagues.

### 14. Lease receivables

A maturity analysis of lease payments receivable based on undiscounted gross and discounted net cash flows for building is reported in the table below:

<b>Maturity analysis - contractual cash flows: undiscounted</b>	As at 31 March 2024	As at 31 March 2023
	£,000	£,000
Year 1	289	284
Year 2	296	290
Year 3	302	296
Year 4	308	301
Year 5	314	308
More than five years	319	634
<b>Total lease receivables: undiscounted</b>	<b>1,828</b>	<b>2,113</b>
Finance income for sublease	(208)	(273)
<b>Total lease receivables: discounted</b>	<b>1,620</b>	<b>1,840</b>

### Amounts recognised in the Statement of Financial Position

	As at 31 March 2024 £,000	As at 31 March 2023 £,000
Lease receivables: current assets	233	220
Lease receivables: non-current assets	1,387	1,620
<b>Total lease receivables: discounted</b>	<b>1,620</b>	<b>1,840</b>

### Amounts recognised in the Statement of Income and Expenditure

	As at 31 March 2024 £,000	As at 31 March 2023 £,000
Interest on lease receivables (included in finance income)	(65)	(66)
Income from sub-leasing right-of-use assets (included in income)	(144)	(14)

### Amounts recognised in the Statement of Cash Flows

	As at 31 March 2024 £,000	As at 31 March 2023 £,000
Total cash inflow for sublease	285	104

Leases are discounted at a single nominal rate for leases, which for the full 2024 calendar year is 4.72% (2023: 3.51%).

The lease contract substantially transfers all the risks and benefits for using the space from Ofcom to the subtenant. This means that contractually, the right-of-use asset can only be used by the subtenant and they must return the property to its original state at the end of the sublease. In addition to the rent paid the subtenant, other associated maintenance and running expenses will also be recharged to them. There is no impact on the terms and conditions of the original lease between Ofcom and the landlord and Ofcom will continue to meet its obligations to the landlord.

## 15. Trade and other payables: current liabilities

	As at 31 March 2024 £,000	As at 31 March 2023 £,000
Trade payables	1,029	1,163
Other tax and social security	-	7
Other payables	1,177	239
Value added tax payable	210	152
Accruals	9,539	9,683
Deferred Income – Stakeholder	4,745	11,567
Deferred income – Grant-in-aid	177	1,360
Deferred income – WTA Receipts	6,527	3,724
<b>Total trade and other payables: current liabilities</b>	<b>23,404</b>	<b>27,895</b>

The other payables include £765k in life assurance benefits received from the insurance company, which will be paid to the beneficiaries of two colleagues.

The 'Deferred Income – Stakeholder' is higher in 2022/23 due to historical credits in the Networks and Services sector.

No grant-in-aid has been claimed for 'Deferred income – Grant-in-aid' in both 2022/23 and 2023/24. Instead, we have effectively utilised the majority of the deferred income from 2021/22.

The increase in 'Deferred income – WTA Receipts' is due to the actual spend for the year being lower than forecasted in Spectrum Management and Online Safety sectors.

## 16. Trade and other payables: non-current liabilities

	As at 31 March 2024 £,000	As at 31 March 2023 £,000
Deferred Income – Stakeholder	1,215	237
<b>Total trade and other payables: non-current liabilities</b>	<b>1,215</b>	<b>237</b>

The increase is due to the actual spend for the year being lower than forecasted, particularly in the Networks and Services sector.



## 17. Lease liabilities

A maturity analysis of lease liabilities based on undiscounted gross cash flows is reported in the table below:

Maturity analysis – contractual cash flows: undiscounted	Buildings	Vehicles	Other	As at 31 March 2024	As at 31 March 2023
	£,000	£,000	£,000	£,000	£,000
Less than one year	5,454	106	24	5,584	5,708
One to five years	24,039	106	6	24,151	22,371
More than five years	10,470	-	-	10,470	14,737
<b>Total lease liabilities: undiscounted</b>	<b>39,963</b>	<b>212</b>	<b>30</b>	<b>40,205</b>	<b>42,816</b>

Ofcom does not face a significant liquidity risk with regard to its lease liabilities.

Amounts recognised in the Statement of Financial Position	As at 31 March 2024	As at 31 March 2023
	£,000	£,000
Lease liabilities: current liabilities	4,774	4,892
Lease liabilities: non-current liabilities	31,939	34,163
<b>Total lease liabilities: discounted</b>	<b>36,713</b>	<b>39,055</b>

Leases are discounted at a single nominal rate for leases, which for the full 2024 calendar year is 4.72% (2023: 3.51%, 2022: 0.95%, 2021: 0.91%, 2020: 1.27%). Leases that transitioned to IFRS 16 prior to January 2020 and in the 2019 calendar year are discounted at prior year discount rate of 1.99 per cent, in accordance with HM Treasury direction.

During the year 2023/24, Ofcom signed two new lease contracts to extend its stay in the current Manchester and Cardiff offices. The new lease for Manchester will commence on the 22 April 2024 and is scheduled to run until 21 April 2034 with an initial 14 months rent free, adding £2,436k to the right-of-use assets and £2,357k to the lease liabilities. The new lease for Cardiff will commence on the 1 July 2024 and is scheduled to run until 30 June 2029 with an initial eight months rent free, adding £250k to the rights-of-use assets and £242k to the lease liabilities.

Each lease generally imposes a restriction that, unless there is a contractual right for Ofcom to sublet the asset to another party, the right-of-use asset can only be used by Ofcom. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. Ofcom is prohibited from selling or pledging the underlying leased assets as security. For leases over buildings, Ofcom must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, Ofcom must insure right-of-use assets and incur maintenance fees on such assets in accordance with the lease contracts.

### Amounts recognised in the Statement of Income and Expenditure

	As at 31 March 2024 £,000	As at 31 March 2023 £,000
Interest on lease liabilities (included in finance costs)	811	901
Expenditure relating to short-term leases (included in other operating expenditure)	5	14
Expenditure relating to leases of low-value assets (included in other operating expenditure)	27	27

### Amounts recognised in the Statement of Cash Flows

Total cash outflow for leases	(5,647)	(5,615)
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## 18. Provisions for liabilities and charges

	Early retirement £,000	Legal £,000	Total £,000
<b>At 1 April 2022</b>	<b>155</b>	<b>-</b>	<b>155</b>
Discount unwound and changes in rate (included in finance costs)	(25)	-	(25)
Utilised in year	(12)	-	(12)
<b>At 31 March 2023</b>	<b>118</b>	<b>-</b>	<b>118</b>
Discount unwound and changes in rate (included in finance costs)	5	-	5
Utilised in year	(13)	-	(13)
<b>Total provisions as at 31 March 2024</b>	<b>110</b>	<b>-</b>	<b>110</b>

<b>Analysis of expected timing of cashflows</b>	Early retirement £,000	Legal £,000	Total £,000
<b>Current</b>			
Less than one year	13	-	13
<b>Total current</b>	<b>13</b>	<b>-</b>	<b>13</b>
<b>Non-current</b>			
One to five years	46	-	46
More than five years	51	-	51
<b>Total non-current</b>	<b>97</b>	<b>-</b>	<b>97</b>
<b>Total provisions as at 31 March 2024</b>	<b>110</b>	<b>-</b>	<b>110</b>

The provision for early retirement of £110k (2022/23: £118k) is for Annual Compensation Payments which is part of the severance package for some colleagues who transferred to Ofcom on their old Civil Service terms and conditions of employment.

Provisions are calculated in accordance with the requirements of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Provisions for early retirement are discounted by 2.45% (2022/23: 1.70%) per annum in accordance with HM Treasury direction; all other provisions with a time boundary of 1 to 5 years are discounted by the short term discount rate of 4.26% (2022/23: 3.27%) and for provisions with a time boundary of five to 10 years the medium term rate of 4.03% (2022/23: 3.20%).

Ofcom's regulatory decisions may be subject to appeal. Appeals against Ofcom's decisions could give rise to liabilities for legal costs. Ofcom will make a provision in the financial statements for costs to the extent they are probable and quantifiable.

## 19. MG Alba

In accordance with Section 210 of the Communications Act 2003 and Section 183 of the Broadcasting Act 1990, the Scottish Ministers paid £13,525k (2022/23: £13,380k) to Ofcom. The sums have not been reflected in Ofcom's financial statements as these are subsequently paid by Ofcom to the Gaelic Broadcasting Fund under the management of the Seirbheis nam Meadhanan Gàidhlig (MG Alba). MG Alba prepares separate reports and financial statements to 31 March each year. These are sent by Ofcom to the Secretary of State for Scotland and Scottish Ministers to be laid before the Scottish Parliament.

## 20. Retirement benefit obligations

Ofcom has a range of pension schemes which include a defined contributions plan, defined benefit plans and unfunded plans.

### a) Defined contribution plan – stakeholder pension plan

Ofcom's primary means of providing pension benefits to its colleagues is by contributing to a stakeholder pension plan. Employer contributions of £9,674k were made in the year ended 31 March 2024 (2022/23: £8,251k). There is also a defined contribution section in the Ofcom Defined Benefits Pension Plan. However, this is now closed and no further contributions are being made to this arrangement.

### b) Defined benefit pension plans

Ofcom operates two defined benefit pension plans, although both closed to future accrual on 1 June 2011:

- The Ofcom Defined Benefit Pension Plan was established on 29 December 2003. The employer contribution made to the Ofcom Defined Benefit Pension Plan for the year ending 31 March 2024 was £3k in relation to Plan expenses (2022/23: £4k). Employer contributions of £360k were transferred from the Feeder Trust account to the Ofcom Defined Benefit Pension Plan in the year ending 31 March 2024 (2022/23: £960k); and
- The Ofcom (Former ITC) Staff Pension Plan, in which Ofcom jointly participates with three other organisations, S4C, S4C Masnachol and the Advertising Standards Authority (ASA). The

employer contribution made to the Ofcom (Former ITC) Staff Pension Plan for the year ending 31 March 2024 was £7k in relation to Plan expenses (2022/23: £11k). Employer contributions of £197k were transferred from the Feeder Trust account to the Ofcom (Former ITC) Staff Pension Plan in the year ending 31 March 2024 (2022/23: £1,580k).

Both of these Plans are managed by a Board of Trustees that is independent of Ofcom.

Ofcom's cash contributions to these two plans are determined in accordance with the Pensions Act 2004. This requires a significantly more prudent measure of the liabilities than IFRS. Pensions Act 2004 funding valuations with an effective date of 31 March 2021 were completed for both defined benefit plans and, unlike under IFRS, showed a combined deficit of £0.6m.

Contribution schedules were agreed with the Trustee of both plans as a result of these valuations. Under the existing schedules Ofcom is expected to contribute £565k to the two defined benefit plans over the next 12 months to cover Plan expenses. Ofcom also reimburses the Plans for pension-related levies.

Ofcom operates a Feeder Trust account, which is incorporated within the Pension Scheme Assets. Funds transferred to and held in the trust account can only be paid into one of the two defined benefit pension plans and are not able to be used for any other purpose. The Ofcom Feeder Trust is the mechanism by which Ofcom sets aside funds in order to make future contributions and to meet the running costs of its two defined benefit pension plans, the Ofcom Defined Benefit Pension Plan and the Ofcom (Former ITC) Staff Pension Plan.

Funds transferred to the Ofcom Feeder Trust are recognised in the financial year in which the transfer is made but these funds may then be used in future periods. Monies retained in the Feeder Account can only be used for funding the pension plans in accordance with the schedule of contributions for each Plan or by an ad-hoc payment approved by Ofcom in respect of a particular project (such as a risk reduction exercise) as well as meeting the running costs of the plans.

Ofcom contributed, for the year ended 31 March 2024, £1,000k into the Feeder Trust (2022/23: £1,500k). The balance of the Feeder Trust as at 31 March 2024 was £8,363k (2022/23: £7,762k).

Ofcom is also responsible for meeting the unfunded pension liabilities for former Chairmen of the Independent Television Commission and the Radio Authority as well as former Directors General of Telecommunications. The pension provision is unfunded, with the benefits being paid as they fall due and guaranteed by Ofcom. There is no fund, and therefore no surplus or deficit. Actuarial advice has been sought to ensure that the provision is set at a realistic level.

### Guaranteed Minimum Pensions equalisation

Following the High Court ruling in the Lloyds Bank case on 26 October 2018, which determined that schemes must adjust benefits so as to equalise Guaranteed Minimum Pensions (GMPs) between men and women, Ofcom made an allowance for the potential impact of this at 31 March 2019. This was allowed for as a past service cost in the Statement of Income and Expenditure. An allowance of £284k was made in respect of the Ofcom (Former ITC) Staff Pension Plan and an allowance of £14k was made in respect of the Ofcom Defined Benefit Pension Plan. The Plans' Trustees continue to progress equalising GMPs. The ultimate cost of this will not be known until they have been fully equalised (which is likely to be a number of years away).

### GMP equalisation of historic values

On 20 November 2020 the latest High Court judgement on GMP equalisation in relation to transfer value payments was made. It concluded that historic transfers since 17 May 1990, which contained GMP accrued after this date, will need to be equalised. An analysis has not been undertaken to establish the potential liability for the Plans as a result of the latest ruling as there has been relatively limited transfer value activity in the past and therefore the additional liability in relation to any historic transfer values is not expected to be material.

### Deed of Amendment 2018

An additional past service cost of £377k was allowed for in the Defined Benefit Plan at the 31 March 2019 year end. This was as a result of a Deed of Amendment which was executed in respect of the Ofcom Defined Benefit Plan on 28 July 2018. As a result of these

rule amendments, the benefits of some pensioner members had to be recalculated, leading to an increase in their benefits. As a result of revised calculations as part of this exercise, the total adjustment increased in FY22 and £500k was recognised on the Statement of Financial Position at 31 March 2022. Following completion of the Trustee's exercise, arrears payments and uplifts to pensions paid between 1 June 2022 and 31 March 2024 have been included as benefit payments in the FY24 IAS 19 disclosure. The recalculated impact of the exercise at 31 March 2024 was £500k. The £100k increase compared with the allowance of £400k made at the prior accounting date has been recognised in Other Comprehensive Income.

### Potential changes to RPI

The UK Statistics Authority (UKSA) has advised that it intends to change the Retail Price Index (RPI), by 2030 at the latest, to bring it in line with CPIH (the Consumer Prices Index including owners-occupiers' housing costs). The Government carried out a public consultation on the matter during 2020, covering the timing and methodology used in any change. The results of this consultation were released on 25 November 2020. It concluded that RPI will be reformed to be in line with the CPIH with the transition taking place during 2030, and that no compensation would be paid to index-linked gilt holders. In response to this announcement, the derivation of RPI and CPI inflation assumptions were reviewed at 31 March 2021. Ofcom will continue to consider the outcome of the consultation to set the inflation assumptions used to determine the accounting defined benefit obligation (DBO) at 31 March 2024.

Ofcom has determined that the market-implied RPI inflation curve remains a reasonable basis for estimating long term future RPI-linked pension increases at 31 March 2024, including the changes in the RPI index to CPIH, and the derivation of the RPI inflation assumption at 31 March 2024 has remained consistent with prior years. For the derivation of the CPI assumption, Ofcom has determined that it is appropriate to maintain the approach adopted at the previous year end, resulting in an RPI-CPI differential of 0.65% at 31 March 2024, taking into account the defined benefit plans' characteristics and membership profiles.

### Virgin Media vs NTL Pension Trustees II Limited

In June 2023, the High Court judged that amendments made to the Virgin Media scheme were invalid because the scheme's actuary did not provide the associated Section 37 certificate necessary. If upheld, the High Court's decision could have wider-ranging implications, affecting other schemes that were contracted-out on a salary-related basis, and made amendments between April 1997 and April 2016.

There is still further uncertainty with a Court of Appeal hearing for the case set for 25 June 2024 as well as the potential for overriding government legislation to be introduced. As a result, Ofcom has begun gathering information on any benefit amendments during the period but has not yet (nor has the Trustees of the Plans) investigated the potential implications for the Ofcom's accounts in detail.

As detailed investigations have not yet been carried out, Ofcom considers that the amount of any potential impact on the DBO cannot be measured with sufficient reliability. Therefore, no allowance for this case has been made in the calculation of the DBO. Ofcom will revisit this at the 2025 year-end.

### Summary of Ofcom's defined benefit pension obligations

The amounts recognised in the Statement of Financial Position are as follows:

	Defined benefit pensions funded 31 March 2024 £,000	Unfunded pensions liability 31 March 2024 £,000	Total retirement benefits 31 March 2024 £,000	Defined benefit pensions funded 31 March 2023 £,000	Unfunded pensions liability 31 March 2023 £,000	Total retirement benefits 31 March 2023 £,000
Funded status, end of year						
- Benefit obligation in respect of deferred members	(45,696)	-	(45,696)	(45,814)	-	(45,814)
- Benefit obligation in respect of pensioner members	(146,248)	(760)	(147,008)	(158,150)	(804)	(158,954)
<b>Total benefit obligations</b>	<b>(191,944)</b>	<b>(760)</b>	<b>(192,704)</b>	<b>(203,964)</b>	<b>(804)</b>	<b>(204,768)</b>
Fair value of plan assets	202,508	-	202,508	215,422	-	215,422
<b>Funded status</b>	<b>10,564</b>	<b>(760)</b>	<b>9,804</b>	<b>11,458</b>	<b>(804)</b>	<b>10,654</b>

IAS 19 requires that, where a scheme is in surplus according to IAS 19 assumptions, the surplus can only be recognised on the Statement of Financial Position if an economic benefit is available to Ofcom as a result. All of the surplus in the funded arrangements can be recognised as it can be recovered by Ofcom.

## Changes over the year to 31 March 2024

	Defined benefit obligation	Assets	Funded pension	Unfunded pension	Total pensions
	£,000	£,000	£,000	£,000	£,000
Opening value as at 1 April 2023	(203,964)	215,422	11,458	(804)	10,654
Administration expenses	-	(624)	(624)	-	(624)
Interest income/(cost)	(9,561)	10,106	545	(36)	509
Employer contributions	-	1,010	1,010	-	1,010
Benefits paid from scheme assets	12,713	(12,713)	-	-	-
Benefits paid directly by Ofcom	-	-	-	84	84
<b>Benefits paid total</b>	<b>12,713</b>	<b>(12,713)</b>	<b>-</b>	<b>84</b>	<b>84</b>
<b>Remeasurements</b>					
Actuarial gains/(losses)	8,868	(10,693)	(1,825)	(4)	(1,829)
<b>Closing value as at 31 March 2024</b>	<b>(191,944)</b>	<b>202,508</b>	<b>10,564</b>	<b>(760)</b>	<b>9,804</b>

## Changes over the year to 31 March 2023

	Defined benefit obligation	Assets	Funded pension	Unfunded pension	Total pensions
	£,000	£,000	£,000	£,000	£,000
Opening value as at 1 April 2022	(253,250)	272,938	19,688	(1,084)	18,604
Administration expenses	-	(766)	(766)	-	(766)
Interest income/(cost)	(6,939)	7,478	539	(29)	510
Employer contributions	-	1,515	1,515	-	1,515
Benefits paid from scheme assets	13,474	(13,474)	-	-	-
Benefits paid directly by Ofcom	-	-	-	75	75
<b>Benefits paid total</b>	<b>13,474</b>	<b>(13,474)</b>	<b>-</b>	<b>75</b>	<b>75</b>
<b>Remeasurements</b>					
Actuarial gains/(losses)	42,751	(52,269)	(9,518)	234	(9,284)
<b>Closing value as at 31 March 2023</b>	<b>(203,964)</b>	<b>215,422</b>	<b>11,458</b>	<b>(804)</b>	<b>10,654</b>

### The amounts recognised in the Statement of Income and Expenditure are as follows:

	Funded pension £,000	Unfunded pension £,000	Total pensions £,000
<b>31 March 2024</b>			
Interest income/(cost)	545	(36)	509
<b>Defined benefit credit/(cost) recognised in income and expenditure</b>	<b>545</b>	<b>(36)</b>	<b>509</b>
Administration expenses	(624)	-	(624)
<b>Net income/(cost) recognised in income and expenditure</b>	<b>(79)</b>	<b>(36)</b>	<b>(115)</b>

### The amounts recognised as Other Comprehensive Expenditure are as follows:

	Funded pension £,000	Unfunded pension £,000	Total pensions £,000
<b>31 March 2024</b>			
Gains/(losses) on benefit obligations due to changes in financial assumptions	1,169	(4)	1,165
Gains/(losses) on benefit obligations due to changes in demographic assumptions	9,929	-	9,929
Gains/(losses) on benefit obligations as a result of member experience	(2,230)	-	(2,230)
<b>Total gains/(losses) arising on benefit obligations</b>	<b>8,868</b>	<b>(4)</b>	<b>8,864</b>
Gains/(losses) on plan assets	(10,693)	-	(10,693)
<b>Net gains/(losses)</b>	<b>(1,825)</b>	<b>(4)</b>	<b>(1,829)</b>

Ofcom and the Plans' Trustees have implemented a number of steps to provide protection against events that cause a deterioration in the funding positions. In particular, annuity policies meet the benefit payments of pensioner members in both Plans and all non-pensioner members in the ITC Plan. However, movements in market conditions can still have an impact on the funding positions particularly on the DB Plan.



### The amounts recognised in the Statement of Income and Expenditure are as follows:

	Funded pension £,000	Unfunded pension £,000	Total pensions £,000
<b>31 March 2023</b>			
Interest income/(cost)	539	(29)	510
<b>Defined benefit credit/(cost) recognised in income and expenditure</b>	<b>539</b>	<b>(29)</b>	<b>510</b>
Administration expenses	(766)	-	(766)
<b>Net income/(cost) recognised in income and expenditure</b>	<b>(227)</b>	<b>(29)</b>	<b>(256)</b>

### The amounts recognised as Other Comprehensive Expenditure are as follows:

	Funded pension £,000	Unfunded pension £,000	Total pensions £,000
<b>31 March 2023</b>			
Gains/(losses) on benefit obligations due to changes in financial assumptions	65,949	234	66,183
Gains/(losses) on benefit obligations due to changes in demographic assumptions	(888)	-	(888)
Gains/(losses) on benefit obligations as a result of member experience	(22,310)	-	(22,310)
<b>Total gains/(losses) arising on benefit obligations</b>	<b>42,751</b>	<b>234</b>	<b>42,985</b>
Gains/(losses) on plan assets	(52,269)	-	(52,269)
<b>Net gains/(losses)</b>	<b>(9,518)</b>	<b>234</b>	<b>(9,284)</b>

Ofcom and the Plans' Trustees have implemented a number of steps to provide protection against events that cause a deterioration in the funding positions. In particular, annuity policies meet the benefit payments of pensioner members in both Plans and all non-pensioner members in the ITC Plan. However, movements in market conditions can still have an impact on the funding positions, particularly on the DB Plan.

## The major categories of Quoted Prices' plan assets are as follows:

		31 March 2024 Total £,000	31 March 2023 Total £,000
Global equities (not currency hedged)	Level 2	3,654	3,007
Global equities (currency hedged)	Level 2	3,765	3,021
Index linked gilts	Level 2	1,093	1,151
Diversified growth fund	Level 2	4,986	4,887
Liability driven investment portfolio	Level 2	16,105	19,296
Annuities	Level 3	163,939	175,739
Cash and cash equivalents	Level 1	8,966	8,321
<b>Total</b>		<b>202,508</b>	<b>215,422</b>

Ofcom and the Plans' Trustees have implemented a number of steps to reduce the level of investment risk. In particular, both main defined benefit plans hold annuity policies that largely eliminate risk in respect of most members and the Ofcom Defined Benefit Pension Plan has a strategy in place that will increase the allocation to lower risk assets that better match liabilities, such as gilts and bonds, when it is affordable to do so.

## Principal economic assumptions at the date of the Statement of Financial Position:

	31 March 2024 (%) DB Plan	31 March 2024 (%) ITC Plan	31 March 2023 (%) DB Plan	31 March 2023 (%) ITC Plan
Discount rate	4.85	4.85	4.80	4.85
Retail Price Inflation	3.20	3.35	3.25	3.30
- Future pension increases (RPI max 5%)	2.95	3.05	2.90	2.95
- Future pension increases (CPI max 3%)	2.05	2.10	1.95	1.95

## The Ofcom pension plan is composed of two separate plans and the principal demographic assumptions at the date of the Statement of Financial Position are as follows:

Expected lifetime of a member aged 60 who is	DB Plan		ITC Plan	
	Currently aged 40	Currently aged 60	Currently aged 40	Currently aged 60
- Male	28	27	28	27
- Female	31	29	31	30

## Sensitivity to changes in principal assumptions used

Change in assumption	Impact on					
	DB Plan			ITC Plan		
	Defined benefit obligations	Assets	Funded status surplus	Defined benefit obligations	Assets	Funded status surplus
£,000	£,000	£,000	£,000	£,000	£,000	
<b>Discount rate</b>						
Increases by 0.50%	decrease by £3,337	decrease by £4,793	decrease by £1,456	decrease by £6,241	decrease by £6,241	No change
Decreases by 0.50%	increase by £3,710	increase by £5,361	increase by £1,651	increase by £6,794	increase by £6,794	No change
<b>Retail Price Inflation</b>						
Increases by 0.50%	increase by £3,294	increase by £5,196	increase by £1,902	increase by £5,412	increase by £5,412	No change
Decreases by 0.50%	decrease by £2,935	decrease by £4,652	decrease by £1,717	decrease by £4,937	decrease by £4,937	No change
<b>Expected lifetime of a member aged 60</b>						
Increases by 1 year	increase by £1,767	increase by £1,067	decrease by £700	increase by £7,762	increase by £7,762	No change
Decreases by 1 year	decrease by £1,767	decrease by £1,067	increase by £700	decrease by £7,762	decrease by £7,762	No change

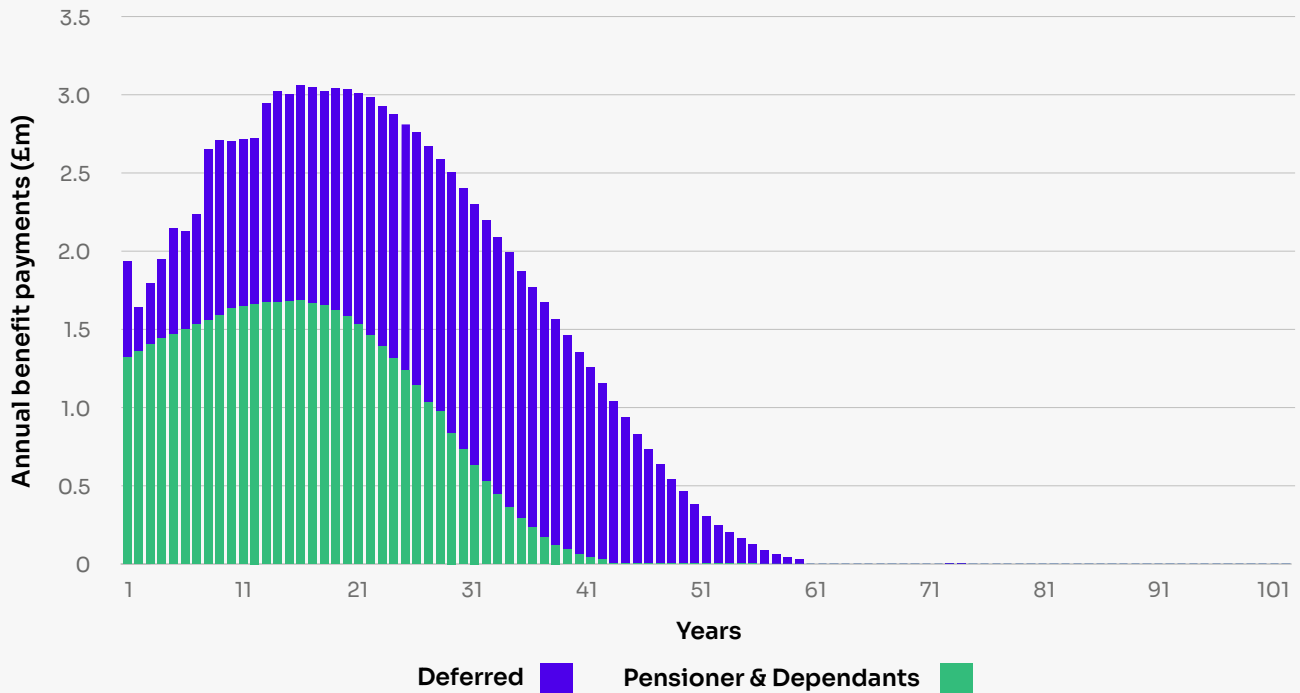
### Liability profile of defined benefit plans

The charts illustrate the expected benefits payable by the respective Plans as at 31 March 2021.

The expected future benefit payments are calculated based on a number of assumptions including future inflation, retirement ages, benefit options chosen and life expectancy and are therefore inherently uncertain.

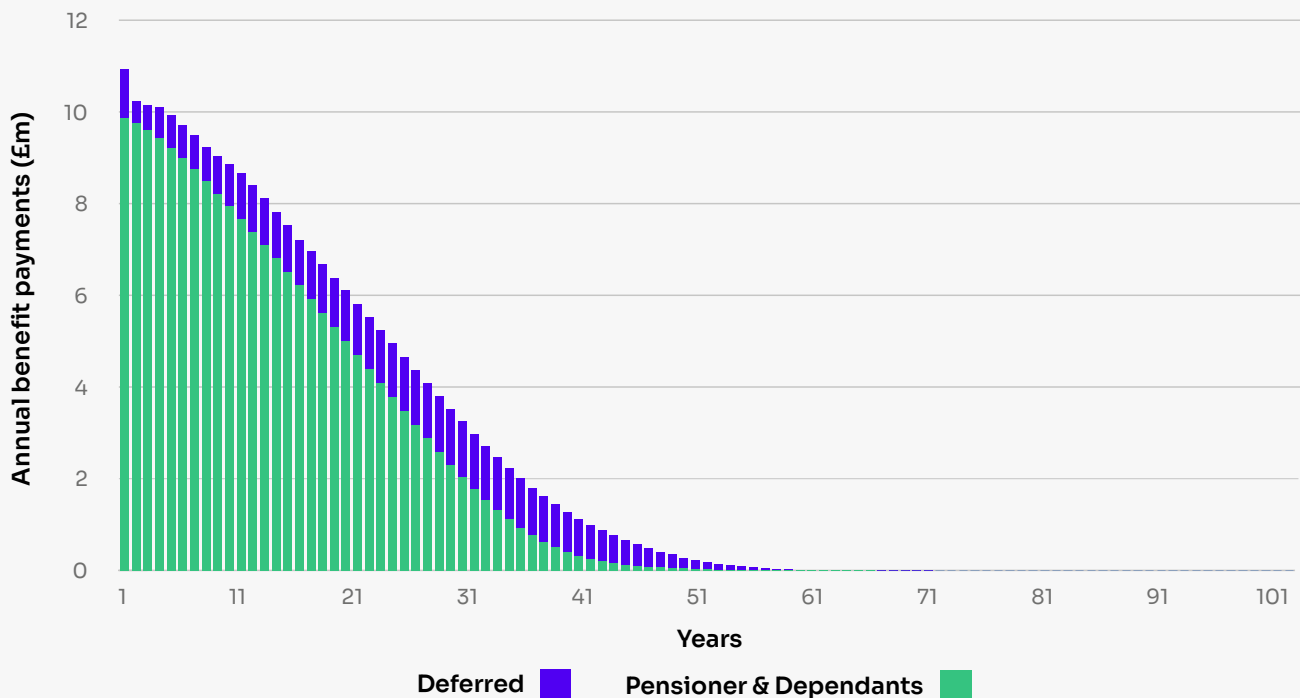
The actual benefit payments in a given year may be higher or lower, for example if members retire sooner or later than assumed, or take a greater or lesser cash lump sum at retirement.

### Ofcom Defined Benefit Pension Plan



The duration (average term to payment) of the Plan's liabilities is 14 years.

### Ofcom (Former ITC) Staff Pension Plan



The duration (average term to payment) of the Plan's liabilities is 10 years.

## 21. Financial instruments

Ofcom has no significant exposure to liquidity, interest rate or currency risks. IAS 32 Financial Instruments specifies the presentation for financial instruments, requiring disclosure of the role they have had during the year in creating or changing the risks an entity faces in undertaking its activities. Because of the nature of its activities and the way in which Ofcom is financed, it is not exposed to the degree of financial risk faced by business entities.

Moreover, financial instruments play a limited role in creating or changing risk as compared to listed companies to which IAS 32 mainly applies. Ofcom has very limited powers to borrow or invest surplus funds. Financial assets and liabilities that are generated by day-to-day operational activities do not change the risks facing Ofcom in undertaking its activities.

There is no material difference at the reporting date between the fair value and the carrying value of financial assets and liabilities.

As permitted by IAS 32, receivables and payables which mature or become payable within 12 months of the reporting date have been omitted from this assessment.

## 22. Related parties

Ofcom does not consider that its regulatory and licensing role creates the relationship of a related party between itself and licence holders as defined by IAS 24 Related Party Disclosures.

Members of the Board have not declared any interests prejudicial to their functions as a Member of Ofcom. There were no transactions between Ofcom and its Members other than remuneration as disclosed separately in the remuneration report.

The Secretary of State for DSIT was regarded as the controlling related party of Ofcom under the terms of the Office of Communications Act 2002 for the year ending 31 March 2024.

Details of all grant-in-aid revenue from DSIT are provided in Notes 2, 3, 11 and 15 of these financial statements.

A defined contribution pension scheme and two defined benefit pension schemes are operated. One of the two defined benefit schemes (both closed to future accruals) has a related party of S4C. Refer to Note 20 for further disclosure.

Ofcom did not make any grant in aid claims for spectrum clearance this financial year due to delays in the final phase of the programme, specifically the decommissioning of the temporary mast at Emley Moor. At 31 March 2024, the balance held in respect of grant-in-aid previously paid by DCMS is £177k for spectrum clearance (2022/23: £1,356k). This deferred balance will offset some of our budgeted costs for 2024/25.

No other related party transactions were entered into during the financial year.

## 23. Capital commitments

As at 31 March 2024 there were capital commitments of £35k relating to purchase of a vehicle (2022/23: £626k relating to leasehold improvements for London and Edinburgh offices).

## 24. Receipts transferred to/from the consolidated fund

In accordance with Section 400 of the Communications Act 2003, Ofcom remitted £8,629k (2022/23: £56,299k) of Broadcasting Act Additional Payments, Geographical Numbering and Fines to the Consolidated Fund.

In accordance with Section 401 of the Communications Act 2003, Ofcom retained £126,658k (2022/23: £112,147k) of WTA receipts to fund its relevant expenditure which include Spectrum Management.

WT Act 2006 license fees of £344,812k (2022/23: £989,113k) were remitted to DSIT for transfer to the Consolidated Fund.

## 25. Contingent liabilities

In June 2023, the High Court ruled that pension benefits amendments made to the Virgin Media scheme were invalid due to the absence of the necessary Section 37 certificate. Consequently, a contingent liability may arise in the event of any potential impact on the DBO. Refer to Note 20 for further disclosure.

## 26. Events after the reporting period

In accordance with the requirements of IAS 10 Events after the Reporting Period, post-year-end events are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

## 27. Going concern

The future financing of Ofcom's liabilities is met through annual sector tariffs from regulated stakeholders and from WTA receipts retention collected through the Section 400 accounts and retained by Ofcom to fund spectrum related activities together with other non-tariff funded activities, as set out in Section 401 of the Communication Act 2003. The Ofcom spending cap is agreed by HMT and DSIT and the amounts required for the 2024/25 year has already been provided. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.





# **ANNEXES**

**SECTION**

**D**

# A1. Regulatory statements

## List of statements published in 2023/24, including regulatory impact on stakeholders

### Broadcasting

<b>B</b>	Statement: talkSPORT – Proposals to reduce AM coverage
<b>B</b>	Statement: How Ofcom regulates the BBC's impact on competition
<b>B</b>	Statement: Quantity and scheduling of television advertising on public service channels
<b>B</b>	Statement: Changes to our framework for assessing the BBC's performance
<b>B</b>	Statement: Kiss East – Request to change Format
<b>B</b>	Statement: Regulation of advertising of less healthy food and drink
<b>B</b>	Statement: The BBC's proposals for BBC Radio Cymru 2
<b>B</b>	Statement: Request from Sunrise Radio to add its Greater London AM licence to the list of approved licences
<b>B</b>	Statement: Request to vary the licensed area of the Winchester small-scale radio multiplex
<b>B</b>	Statement: Request to vary the licensed area of the Bradford small-scale radio multiplex
<b>B</b>	Statement: Community Voice FM's request to change key commitments

### Post

<b>B</b>	Statement: Review of Second Class safeguard caps 2024
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### Spectrum

<b>A</b>	Statement: Spectrum access for Enhanced Long-Range Navigation (eLoran) systems at 90–110 kHz
<b>B</b>	Statement: Enabling mmWave spectrum for new uses
<b>B</b>	Statement: Satellite Earth Station Network licences
<b>B</b>	Statement: Enabling future use of the unpaired 2100 MHz (1899.9–1920 MHz) spectrum
<b>B</b>	Statement: Mobile phone repeaters – Changes to the Wireless Telegraphy Regulations 2022
<b>C</b>	Statement: Updating the amateur radio licensing framework
<b>C</b>	Statement: Rivada Space Networks GmbH – Application for non-geostationary earth station network licence

### Key to regulatory statements

<b>A</b>	Increased/ new regulation	<b>B</b>	Mixed/no-change/ ongoing	<b>C</b>	Streamlined/ co-regulatory	<b>D</b>	Reduced regulation
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## Telecoms

<b>A</b>	Statement: Improving broadband information for consumers
<b>A</b>	Statement: Electronic Communications Code – Proposed amendments to Template Notices
<b>B</b>	Statement: Openreach proposed FTTP offer starting 1 April 2023 (Equinox 2)
<b>B</b>	Statement: Changes to the NIS Guidance on incident reporting thresholds for the digital infrastructure subsector
<b>B</b>	Statement: Quality of service for ethernet and dark fibre
<b>B</b>	Statement: Net Neutrality Review
<b>B</b>	Statement: Mobile roaming – Strengthening customer protections

## Other

<b>B</b>	Statement: Cloud services market study (final report)
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### Key to regulatory statements

<b>A</b> Increased/ new regulation	<b>B</b> Mixed/no-change/ ongoing	<b>C</b> Streamlined/ co-regulatory	<b>D</b> Reduced regulation
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## Ofcom statements published in 2023/24 where the earlier consultation included an impact assessment

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talkSPORT – proposals to reduce AM coverage

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Proposal to apply Code powers to ServerHouse Limited

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Proposal to apply Code powers to Smartfibre Broadband Limited

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Proposal to apply Code powers to NIO Net Limited

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Proposal to apply Code powers to X-Fibre Ltd

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Openreach proposed FTTP offer starting 1 April 2023 (Equinox 2)

---

Enabling mmWave spectrum for new uses

---

Proposal to apply Code powers to Dense Air Limited

---

Proposal to apply Code powers to Trenches Wayleave Ltd

---

Quantity and scheduling of television advertising on public service channels

---

Satellite Earth Station Network licences

---

Changes to our framework for assessing the BBC's performance

---

Spectrum access for Enhanced Long-Range Navigation (eLoran) systems at 90-110 kHz

---

Ofcom's changes to the NIS Guidance on incident reporting thresholds for the digital infrastructure subsector

---

Regulation of advertising of less healthy food and drink

---

Improving broadband information for consumers

---

Enabling future use of the unpaired 2100 MHz (1899.9–1920 MHz) spectrum

---

Electronic Communications Code – Proposed amendments to Template Notices

---

Quality of service for ethernet and dark fibre

---

Net Neutrality Review

---

Updating the amateur radio licensing framework

---

Review of Second Class safeguard caps 2024

---

Mobile phone repeaters – Changes to the Wireless Telegraphy Regulations 2022

---

Request to vary the licensed area of the Winchester small-scale radio multiplex

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Request to vary the licensed area of the Bradford small-scale radio multiplex

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Community Voice FM's request to change key commitments

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Ofcom's Plan of Work 2024/25

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Mobile roaming – Strengthening customer protections

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## Ofcom consultations published in 2023/24 which included an impact assessment and where no final statement had been published by 31 March 2024

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Calling Line Identification (CLI) authentication – A potential approach to detecting and blocking spoofed numbers

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Hybrid sharing: Enabling both licensed mobile and Wi-Fi users to access the upper 6 GHz band

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Electronic Communications Code of practice

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Rugby World Cup 2023 (Listed Events)

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Ensuring the quality of TV and on-demand access services

---

Prohibiting inflation-linked price rises

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Resilience guidance

---

Channel 4 licence renewal

---

Guidance for service providers publishing pornographic content

---

Further consultation on revenue sharing

---

Supporting increased use of shared spectrum

---

The future regulation of phone-paid services

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Protecting people from illegal harms online

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Request to change Key Commitments for B Radio (Farnborough)

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Proposal to apply Code powers to Artemis Fibre Limited

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Notice of proposals to make the Wireless Telegraphy (Licence Charges) (Amendment) Regulations 2024

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Analogue Radio Technical Code

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Tackling scam calls – expecting providers to block more calls with spoofed numbers

---

Community Radio – future approach to Key Commitments

---

NSLComm Ltd application for non-geostationary earth station network licence

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## Online Safety Research undertaken in 2023/24

Project overview	Policy area	End date
<b>April 23</b>		
1 Children's Media Literacy surveys, <a href="#">quant</a> and <a href="#">qual</a> . Recurring programmatic surveys. Provides evidence on online/media use, attitudes and understanding among UK children, including their parents' views.	Online use and attitudes	Published 29 Mar 23
2 Adults Media Literacy surveys, <a href="#">quant</a> and <a href="#">qual</a> . Recurring programmatic surveys. Provides evidence on online/media use, attitudes and understanding among UK adults.	Online use and attitudes	Published 29 Mar 23
3 <a href="#">Online Experiences Tracker Wave 3</a> . Recurring programmatic survey. Robust quant data measuring the prevalence, impact and character of positive and negative online experiences.	Online use and attitudes	Published 18 Apr 23
<b>May 23</b>		
4 <a href="#">User-Generated Content-Enabled Frauds and Scams (ACE)</a> . Identifies current mitigations which are used to counter online fraud. Useful for Codes and our approach to impact assessment and proportionality. <a href="#">View intro to the research</a> .	Fraud and scams	Published 17 May 23
5 <a href="#">Mitigating illegal harms: A snapshot (ACE)</a> . Interviews with platforms, ex-colleagues from platforms and subject matter experts to test what mitigations platforms utilise in this space, what they don't do and what could be done. <a href="#">View intro to the research</a> .	Illegal harms	Published 17 May 23
<b>June - July 23</b>		
6 <a href="#">Pilot: Under-13s avatar research</a> . To understand children's online experiences and assess the feasibility of the avatar method.	Protection of children	Published 22 Jun 23
7 <a href="#">Pilot: Under-13s school research</a> . To understand the harms children aged 8-12 experience and how this impacts them. Qual with 12 children and quant with 100.	Protection of children	Published 22 Jun 23
8 <a href="#">Media Literacy, Immersive Tech and the Future</a> . To assist and develop Ofcom's understanding of immersive technology and platforms, exploring their current role in people's lives, how this might evolve in the future and the potential media literacy challenges.	Online use and attitudes	Published 28 Jun 23

Project overview		Policy area	End date
9	<b>Quick poll: Generative AI use.</b> A quick poll about whether UK internet users have used generative artificial intelligence tools, what they use them for if so, and how they feel about the impact that this technology might have on society in the future.	Online use and attitudes	Published 5 Jul 23
10	<b>Evaluating recommender systems in relation to illegal and harmful content.</b> Ofcom commissioned Pattn.AI to examine possible methods for evaluating the impact of recommender systems. The research involved a combination of desk research, expert interviews and workshops with data scientists and engineers.	Functionality	Published 6 Jul 23
11	<b>Boosting users' safety online: Microtutorials</b> (Boosts trial). This discussion paper by Ofcom's Behavioural Insight team focused on what we learned from an online randomised controlled trial testing the impact of microtutorials on users' behaviour when reporting content.	Efficacy of safety measures	Published 7 Jul 23
12	<b>Default effects and alert messages</b> (Defaults trial). This discussion paper by Ofcom's Behavioural Insight team sets out the results of an online randomised controlled trial. The team ran a trial to examine the impact on user behaviour of default settings in alert messages which either opted viewers in or out of watching potentially harmful content.	Efficacy of safety measures	Published 14 Jul 23
<b>August - September 23</b>			
13	<b>Quick poll: Platform terms and accessibility.</b> A quick poll about whether UK internet users have accessed the terms of service, community guidelines or any other type of policy document on social media websites or platforms, and their difficulties experienced.	Online use and attitudes	Published 9 Aug 23
14	<b>Technical study on efficacy of age assurance measures (with ICO).</b> Evaluates accuracy and effectiveness of a range of age assurance methods.	Age assurance	Published 22 Aug 23
15	<b>Content moderation in user-to-user online services</b> (Platform metrics pilot). Engaging with a variety of online platforms to understand the metrics they use to track and measure harm. Building public awareness and foundational knowledge for debate.	Efficacy of safety measures	Published 14 Sep 23

Project overview		Policy area	End date
16	<a href="#">Understanding experiences of minority beliefs online</a> . Explores the impact of, and how behaviour relating to mis/disinformation varies with different contexts and between groups. Ages 18+.	Mis/ disinformation	Published 18 Sep 23
17	<a href="#">Sale of prohibited goods on search services</a> (Prevalence on search: illegal goods). To understand the prevalence of the listed harms on search engines to feed into the Register of Risk, Mitigations and Codes.	Search	Published 18 Sep 23
18	<a href="#">Online content for use in the commission of fraud – accessibility via search services</a> (Prevalence on search: fraud). To understand the prevalence of fraud on search engines to feed into the Register of Risk, Mitigations and Codes.	Search	Published 18 Sep 23
19	<a href="#">Assessing the risk of foreign influence on UK search results</a> (Search services and foreign interference). Aims to learn the prevalence and impact of foreign interference on search services and how actors seek to exploit search services' vulnerabilities.	Search / foreign interference	Published 19 Sep 23
20	<a href="#">Hate of the Nation: A Landscape Mapping of Observable, Plausibly Hateful Speech on Social Media</a> . Analysis of which protected groups are targeted by online hate.	Hate and terror	Published 19 Sep 23
21	<a href="#">Tangled Web: The interconnected online landscape of hate speech, extremism, terrorism and harmful conspiracy movements in the UK</a> (Calls to Harms). Maps the prevalence of this type of content across seven online platforms, understanding how the actors and content itself links across.	Hate and terror	Published 19 Sep 23
22	<a href="#">Functionality of online pornography services (with BBFC)</a> . Exploring the functionality of online pornography services, with a particular focus on how content is uploaded/displayed.	Pornography	Published 9 Nov 23
<b>October - November 23</b>			
23	<a href="#">Online Experiences Tracker</a> Wave 4. Recurring programmatic survey. Robust quant data measuring the prevalence, impact and character of positive and negative online experiences.	Online use and attitudes	Published 9 Oct 23
24	Children's Online Passive Measurement. Piloting passive measurement tool to understand which sites/apps children aged 8-12 visit online.	Online use and attitudes	Completed (Published in <a href="#">Online Nation</a> )

Project overview	Policy area	End date
<p>25 <b>User attitudes to on-platform interventions.</b> Qual research with 100 teenagers and adults to gauge online users' understanding and perceptions of on-platform media literacy interventions. The research focuses on five broad intervention types: labels, overlays, notifications, resources and prompts.</p>	Efficacy of safety measures	Published 31 Oct 23
<p>26 <b>Barriers to proving age on adult sites.</b> Second round of research to understand attitudes and behaviours and diagnosing potential barriers to user compliance with age assurance technologies on adult sites. Participants aged 16+ that use pornography/adult sites.</p>	Age assurance	Published 9 Nov 23
<p>27 <b>Understanding online communications among children (quant).</b> Understand how children make connections online, incidence of inappropriate messaging, aspects considered when accepting friend requests/replying.</p>	CSAM	Published 9 Nov 23
<p>28 <b>Understanding investors and their perception of online safety risks (ACE).</b> ACE conduct short surveys/interviews with their network to learn how risk is perceived and measured by investors of services that are likely to be in scope of the OSB.</p>	Supervision	Published 9 Nov 23
<p>29 <b>Quick poll: Going online for well-being – older teenagers and adults.</b> Whether users go online to improve their wellbeing and if so, what services they use.</p>	Online use and attitudes	Published 13 Nov 23
<p>30 <b>Quick poll: Going online for wellbeing – children.</b> Whether users in Great Britain aged 8-15 go online to improve their wellbeing and if so, what services they use.</p>	Online use and attitudes	Published 13 Nov 23
<p>31 <b>Quick poll: Microblogging.</b> Whether users use microblogging services that allow users to exchange small elements of content like short sentences, individual images or video links.</p>	Online use and attitudes	Published 13 Nov 23
<p>32 <b>Online Nation 2023.</b> Our annual report looks at what people are doing online, how they are served by online content providers and platforms, and their attitudes to and experiences of using the internet.</p>	Online use and attitudes	Published 28 Nov 23
<p>33 <b>Children's online user ages 2023.</b> Quantitative survey to investigate the % of children with a profile age on a social media site/app different to their actual age. Ages 8-17.</p>	Age assurance	Published 28 Nov 23

Project overview		Policy area	End date
<b>December 23</b>			
34	<a href="#"><u>Exploring high media literacy among adults and children.</u></a> Explores what high-functioning media literacy looks like in reality. Qualitative research (mix of diary/passive monitoring then interview/paired interviews) with adults/teenagers aged 13+.	Media literacy	Published 5 Dec 23
<b>January - March 24</b>			
35	<a href="#"><u>One Click Away: A study on the prevalence of non-suicidal self injury, suicide, and eating disorder content accessible by search engines.</u></a> To understand the prevalence on search engines of children's primary priority harms.	Protection of children / Search	Published 31 Jan 24
36	<a href="#"><u>Children's Media Literacy Tracker: Data tables.</u></a> Recurring programmatic surveys. Provides evidence on online/media use, attitudes and understanding among UK children and parents.	Online use and attitudes	Published 1 Feb 24
37	<a href="#"><u>Terms and conditions content control.</u></a> Research commissioned to support our upcoming Terms of Service and User Controls behavioural insights trials.	Online use and attitudes	Published 28 Feb 24
38	<a href="#"><u>Exploring high media literacy among children 8-12.</u></a> Explores what high functioning media literacy looks like in reality. Task based interviews with children aged 8-12.	Media literacy	Published 15 Mar 24
39	<a href="#"><u>Priority harmful content among children: Eating disorders, self-harm, suicide.</u></a> To understand what content may be 'safety promoting' vs. harmful, and attitudes towards mitigations. Qual research with adults and children aged 13+.	Protection of children	Published 15 Mar 24
40	<a href="#"><u>Priority harmful content among children: Cyberbullying, abuse, harassment.</u></a> To understand the pathways to cyberbullying, online abuse and harassment for children and attitudes towards mitigations. Qual research with adults and children aged 13+.	Protection of children	Published 15 Mar 24
41	<a href="#"><u>Understanding online violent content among children (Qual).</u></a> Aims to understand the pathways to online content depicting or encouraging violence for children 8-17, to highlight 'risky' functionalities or points in the journey for children to inform platform risk assessments and mitigations in Codes of Practice.	Protection of children	Published 15 Mar 24



Project overview	Policy area	End date
<p>42 <a href="#">Assessing the effectiveness of content moderation interventions on hate speech</a>. Assessing effectiveness of different content moderation measures on hate speech levels on YouTube. Helps develop approaches to evaluate the success of platform interventions, such as causal inference of platform intervention and hate speech classifiers.</p>	Hate and terror	Published 12 Mar 24
<p>43 <a href="#">Adults Media Use and Attitudes Report</a> Drawing largely on our quantitative Adults' Media Literacy Tracker surveys, this report provides evidence on media use, attitudes and understanding among UK adults aged 16 and over.</p>	Online use and attitudes	Published 12 Mar 24
<p>44 <a href="#">Children's Media Lives</a> The Children's Media Lives project follows, as far as possible, the same group of 21 children aged 8 to 17, conducting filmed interviews each year to learn about their media habits and attitudes.</p>	Online use and attitudes	Published 19 Apr 24
<p>45 <a href="#">Children and Parents: Media Use &amp; Attitudes</a> This report looks at media use, attitudes and understanding among children and young people aged 3-17.</p>	Online use and attitudes	Published 19 Apr 24
<p>46 <a href="#">Adults' Media Lives</a> The interviews provide evidence about the motivations and the context of media use, and how media services and devices are part of daily life and domestic circumstances.</p>	Online use and attitudes	Published 19 Apr 24

# A2. Enforcement activity

Ofcom's Enforcement Team handles a range of issues across the sectors we regulate, including Telecommunications, Video Sharing Platforms, Post, and Network Security and Resilience. These issues encompass anti-competitive behaviour, breaches of regulatory rules and regulatory disputes. Table 1 shows the total number of formally opened investigations handled by the team. Table 2 shows the overall number of issues considered, with the majority being closed

on an administrative priority basis or because formal action was not deemed an appropriate response. This reflects the picture as at 31 March 2024.

More details of individual cases being investigated under the investigations programme are set out in Ofcom's Competition and Enforcement Bulletin available at: [www.ofcom.org.uk/about-ofcom/latest/bulletins/competition-bulletins](http://www.ofcom.org.uk/about-ofcom/latest/bulletins/competition-bulletins)

## Open investigations and programmes

Regulated sector	Total handled	Total opened	Total closed	Ongoing activity (as at 31/3/2024)
Telecoms	12	8	5	7
Video Sharing Platforms	5	4	1	4
Post	2	1	2	-
<b>Total</b>	<b>19</b>	<b>13</b>	<b>8</b>	<b>11</b>

## Total issues considered in the Enforcement Team

Regulated sector	Open cases as at 1 April 23	New cases Opened in Year	Cases Closed in Year	Open activity (as at 31/3/2024)
Telecoms	36	38	59	15
Video Sharing Platforms	10	8	16	2
Post	1	-	1	-
<b>Total</b>	<b>47</b>	<b>46</b>	<b>76</b>	<b>17</b>

# A3. Broadcasting complaints, cases and sanctions

Ofcom has a statutory duty under the Communications Act 2003 to establish procedures for the handling and resolution of complaints from listeners and viewers about radio and television programmes broadcast on services licensed by us, and also S4C. We also have a duty under the BBC Charter and Agreement to set procedures to handle and resolve complaints referred to us about the BBC's television, radio and on-demand programmes. We also enforce content standards on UK-based video-on-demand services<sup>9</sup>.

All complaints are important to Ofcom as they help us to understand whether a broadcaster may be failing to comply with rules in the Broadcasting Code or other Ofcom codes.

As well as launching investigations following the assessment of complaints, we can also do so on our own initiative. We handle complaint-led and self-initiated investigations under the same procedures.

Individual complaints received by Ofcom are assigned to cases. A case is opened when Ofcom is assessing a specific programme or issue and may consist of one or more complaints. In the period under review, a total of 69,807 complaints were received, which led to 9,960 cases assessed.

## Content standards

Complaints about content standards are handled under Ofcom's [Procedures for investigating breaches of content standards for television and radio](#).

Complaints about BBC content standards are handled under Ofcom's [Procedures for investigating breaches of content standards on BBC broadcasting services and BBC on-demand programme services](#).

## Initial assessment of complaints

Based on an initial assessment of the complaint and, in most cases, a consideration of the related television or radio content, Ofcom will consider whether there may have been a breach of the Broadcasting Code (or other Ofcom codes). If not, Ofcom will decide not to investigate further and publishes this decision in its [Broadcast and On Demand Bulletin](#).

A total of 9,960 cases (69,807 complaints) were assessed in this way during the reporting period.

**Figure 1: Complaints and cases assessed by year**

Type	2023/24	2022/23	2021/22	2020/21	2019/20
Complaints	69,807	36,908	99,562	142,660	34,545
Cases	9,960	8,725	11,932	11,778	7,829

Ofcom aims to make an initial assessment of all complaints within 15 working days. In the period between 1 April 2023 and 31 March 2024, Ofcom assessed complaints on average within eight working days.

<sup>9</sup> Under the statutory framework these are known as on-demand programme services.

## Investigations

If a case raises potential issues under our rules, we will investigate the matter further to decide whether a breach of the Broadcasting Code (or other Ofcom codes) has occurred. An investigation may consist of one or more related cases involving the same broadcaster.

Of the 9,960 cases, we referred 53 cases for investigation under our rules in the reporting period.

In this financial year we concluded 48 investigations.<sup>10</sup> Of the 48 investigations we concluded, 17 were launched before 2023/24. The other 31 were launched and completed within 2023/24.

**Figure 2: Complaints, cases and investigations by Key Broadcasting Code issue<sup>11</sup>**

Type	Complaints	Cases	Investigations	Breaches
Offence	46,394	4,555	20	19 <sup>12</sup>
Harm	9,642	1,061	7	3
Due Impartiality	10,693	1,821	10	9
Protection of Minors	3,700	642	18	17 <sup>13</sup>
Other <sup>14</sup>	1,177	888	9	6
<b>Total</b>	<b>71,606</b>	<b>8,967</b>	<b>65</b>	<b>54</b>

Ofcom found that:

- 39 investigated cases resulted in breaches of the Broadcasting Code (or other Ofcom codes) being recorded;
- One investigated case was resolved<sup>15</sup>; and
- Eight investigated cases were not in breach of the codes or were discontinued.

We aim to complete those cases we take forward for investigation within 50 working days. In the period between 1 April 2023 and 31 March 2024, Ofcom completed investigations on average within 95.3 working days. This was due to the procedural and legal complexity of many of the cases we investigated.

<sup>10</sup> An investigation may complete over more than one financial year depending on factors such as when it was launched and the complexity of the investigation.

<sup>11</sup> The total numbers in Figure 2 are higher than references elsewhere in the Annual Report due to the way that we categorise offensive language cases, some of which can engage Broadcasting Code rules on both protection of minors and offence.

<sup>12</sup> 15 of these breaches were linked to offensive language.

<sup>13</sup> 15 of these breaches were linked to offensive language.

<sup>14</sup> Other case types include commercial references, charity appeals and advertising minutage.

<sup>15</sup> A 'resolved' outcome may be used in cases, for instance, where a broadcaster has taken immediate and appropriate steps to remedy a breach. In such cases, Ofcom may consider it appropriate not to record a breach and decide that the appropriate outcome is to determine that the case is 'resolved'. A 'resolved' finding is held on record and may be taken into account should there be further compliance concerns regarding a particular broadcaster.

## Fairness and Privacy

Fairness and Privacy complaints relate to unjust or unfair treatment in programmes, or to unwarranted infringements of privacy in programmes (or in connection with the obtaining of material included in them). These complaints are made by individuals or organisations participating in or otherwise directly affected by programmes as broadcast, or in the making of programmes.

Complaints about fairness and privacy are handled under Ofcom's [Procedures for the consideration and adjudication of Fairness & Privacy complaints](#). Fairness and privacy complaints about BBC television, radio and on-demand programmes are handled under Ofcom's [Procedures for the consideration and adjudication of Fairness and Privacy complaints on BBC broadcasting services and BBC on-demand programme service](#).

In 2023/24, we considered 196 Fairness and Privacy complaints.

## Entertainment decisions

Ofcom aims to assess and decide whether to entertain Fairness and Privacy complaints within 25 working days of receipt of the complaint and any further information requested from the complainant. In the period between 1 April 2023 and 31 March 2024, Ofcom assessed and decided whether to entertain Fairness and Privacy complaints on average within 17.2 working days.

## Adjudications

If a Fairness and Privacy complaint is entertained by Ofcom, we will investigate the matter to decide whether a breach of the Broadcasting Code has occurred. A final adjudication will be taken after all relevant evidence and material has been considered.

A total of 23 complaints were adjudicated upon in the period under review. Of these:

- Five complaints were upheld;
- 14 complaints were not upheld;
- Two complaints were resolved; and
- Two complaints were withdrawn or discontinued.

Ofcom aims to complete the consideration and adjudication of Fairness and Privacy complaints within 90 working days of the complaint being entertained. In the period between 1 April 2023 and 31 March 2024, Ofcom completed the consideration and adjudication of Fairness and Privacy complaints on average within 90.7 days.

## Sanctions

Where Ofcom decides that a broadcaster has breached the Broadcasting Code or other Ofcom code, and it considers the breach or breaches to be serious, deliberate, repeated and/or reckless, it may consider whether to impose a statutory sanction on the broadcaster.

Ofcom has a range of sanctions available, including to issue a direction not to repeat a programme or advertisement, issue a direction to broadcast a correction or a statement of Ofcom's findings, impose a financial penalty<sup>16</sup>, shorten or suspend a licence (for some categories of licence), and revoke a licence (not applicable to the BBC, S4C or Channel 4).

During the period between 1 April 2023 and 31 March 2024, Ofcom imposed the following statutory sanctions:

- Islam Channel in respect of its service Islam Channel – financial penalty of £40,000 and a direction not to repeat the programme, and to broadcast a statement of Ofcom's findings; and
- Ahlebait TV Networks in respect of its service Ahlebait TV – financial penalty of £10,000, and a direction not to repeat the programme, and to broadcast a statement of Ofcom's findings.

<sup>16</sup> All financial penalties imposed by Ofcom are held in an account with Government Banking Services (GBS) for the benefit of the Exchequer. Funds are transferred to the HM Treasury GBS account for direct use by the Exchequer or distributed to relevant Consolidated Funds. Ofcom neither receives financial benefits from nor makes use of any financial penalties received.

## BBC content standards and investigations

Complaints about BBC programmes are considered under a ‘BBC First’ complaints framework. This means that if a viewer or listener has a complaint about something they have seen or heard in a BBC television, radio or on-demand programme, they must normally complain to the BBC in the first instance.<sup>17</sup> The complainant can refer their complaint to Ofcom if they are dissatisfied with the BBC’s response or if the BBC fails to respond in a timely manner. A complaint can also be referred if the complainant considers that the imposition by Ofcom of a sanction against the BBC may be appropriate.

During the last year, we received and assessed 2,709 complaints covering a range of standards issues for BBC content. Of these:

- 2,556 were referred to the ‘BBC First’ approach, and
- 153 went through our BBC Standards process.

There was a total of 1,256 cases, 1,127 of which were ‘BBC First’ and 129 of which went through our BBC Standards process, none of which raised issues warranting further action by Ofcom.

## BBC online material

Under the BBC’s Charter and Agreement, set by Government and Parliament, the BBC is responsible for the editorial standards of its online material. Ofcom has a responsibility to consider and give an opinion on whether the BBC has observed relevant editorial guidelines in its online material.<sup>18</sup> Online material means content on the BBC’s website and apps, such as articles, images and videos, and is defined in the [Ofcom BBC Online Arrangement](#). The definition does not extend to the BBC’s social media content and it does not include programmes on the BBC iPlayer and BBC Sounds, which must comply with Ofcom’s Broadcasting Code rules.

Between 1 April 2023 and 31 March 2024 we assessed and closed a total of 45 complaints about the BBC’s online material. We did not need to issue an opinion in relation to any of the complaints closed in this reporting period.

A further 355 complaints about BBC online material were referred to the BBC under the ‘BBC First’ approach or found to be outside of our remit. Ofcom aims to make an initial assessment of these complaints within 15 working days. In the period between 1 April 2023 and 31 March 2024, Ofcom assessed complaints on average within 18.1 working days.

The Government’s Mid-Term Review of the BBC recommended that Ofcom be granted full enforcement powers in relation to BBC Online Material. Over the coming months, Ofcom will commence the process of drawing up and consulting on a BBC Online Material Code, which will broadly reflect the different sections of the Broadcasting Code.<sup>19</sup>

## On-demand programme services

We also consider complaints about content standards on notified on-demand programme services (ODPS)<sup>20</sup> under [Ofcom’s Procedures for investigating breaches of rules for on-demand programme services](#).

In 2023/24, we assessed 851 complaints, which led to 621 cases about ODPS content. Of these cases Ofcom determined that one raised issues warranting further investigation under the rules for on-demand programme services.

In March 2023, the Government published the draft Media Bill<sup>21</sup> which includes details of the proposed new framework for Video On Demand (VOD) regulation. If passed, The new legislation, which received Royal Assent on 24 May 2024, makes provision for Ofcom to draft and enforce a new VOD Code similar to the Broadcasting Code which will be applicable to larger providers. Ofcom will also have an ongoing duty to assess audience protection measures on VOD services.

<sup>17</sup> The ‘BBC First’ complaints framework does not apply to fairness and privacy complaints about BBC content.

<sup>18</sup> We handle complaints about the BBC’s online material under Ofcom’s [Procedures for handling complaints relating to BBC online content](#).

<sup>19</sup> [BBC Mid-Term Review](#), January 2024.

<sup>20</sup> With the exception of public service ODPS provided by the BBC, which are subject to the Broadcasting Code, ODPS that are notified to Ofcom must comply with a set of [Statutory Rules](#) which are separate to the Broadcasting Code.

<sup>21</sup> [Draft Media Bill](#), March 2023.

# A4. Spectrum assurance and compliance

## Key Performance Indicator

### Main activities

Work programme activity/incident	April 23 – March 24	April 22 – March 23
Complaints of interference received <sup>22</sup>	1,723	1,674
Checking radio system licence compliance <sup>23</sup>	3,177	1,953
Fixed Penalty Notices issued <sup>24</sup>	18	1
Prosecutions for criminal spectrum activity <sup>25</sup>	1	0

### Quality of service targets for complaints of interference received

Key Performance Indicator	Case Priority	Target	Target achieved	
			April 23 – March 24	April 22 – March 23
<b>Time to first visit:</b> The time taken from reporting a complaint of interference to the time our engineer arrives on site to diagnose the problem (for those cases where a field visit is required).	1	8 hours	100%	100%
	2	18 hours	100%	100%
	3	2 working days	99%	100%
	4	5 working days	99%	100%
	5	15 working days	99%	100%
	6	No target		
<b>Resolution:</b> The time taken from reporting a complaint of interference to the time the customer is advised that the case is resolved.	1	2 calendar days	100%	100%
	2	3 calendar days	100%	100%
	3	6 working days	99%	100%
	4	20 working days	97%	94%
	5	40 working days	99%	99%
	6	60 working days	99%	100%

<sup>22</sup> Cases of interference reported by the public and businesses.

<sup>23</sup> Work carried out by Ofcom to ensure licence conditions are adhered to or unlicensed use is not taking place.

<sup>24</sup> Fixed Penalty Notices (FPN) are usually issued instead of initiating legal proceedings. Failure to pay a FPN can lead to legal action.

<sup>25</sup> Prosecutions in relation to Pirate Radio or failure to pay FPNs.

# A5. Spectrum licensing

## Category A

Licences that involve no frequency assignment, site clearance or international co-ordination	Licences issued April 23 – March 24	Licences issued April 22 – March 23	Total on issue as at 31 March 24	Total on issue as at 31 March 23
Business Radio Light – Simple UK (no base station)	1,727	1,685	14,820	14,801
Business Radio Simple Site	977	1,124	8,926	8,813
Business Radio Suppliers Light	90	117	1,154	1,213
Fixed Wireless Access (5.8 GHz)	51	47	347	346
GNSS Repeater	14	30	414	400
Police and Fire	1	1	121	122
<b>Subtotal for Business Radio products</b>	<b>2,860</b>	<b>3,004</b>	<b>25,782</b>	<b>25,695</b>
Radar Level Gauge	0	0	124	124
Amateur & Maritime	39,314	27,982	303,898	295,099
<b>Total for Category A</b>	<b>42,174</b>	<b>30,986</b>	<b>329,804</b>	<b>320,918</b>
KPI for Category A (100% in 7 days)	97%	99%	–	–
KPI for Category A (Amateur & Maritime) (100% in 10 days)	95%	99%	–	–



## Category B

Licences that involve frequency assignment, but no site clearance or international co-ordination	Licences issued April 23 – March 24	Licences issued April 22 – March 23	Total on issue as at 31 March 24	Total on issue as at 31 March 23
Automatic Identification System	46	58	497	463
Business Radio Area Assigned	18	44	387	426
Business Radio Technically Assigned	7	1662	309	21,876
Coastal Station Radio (International) Area Defined	21	5	384	9
Coastal Station Radio (International)	59	6	657	379
Coastal Station Radio (Marina)	1	17	63	375
Coastal Station Radio (Training School)	17	61	148	622
Coastal Station Radio (UK)	0	12	5	312
Coastal Station Radio (UK) Area Defined	127	2	422	13
Differential Global Positioning System	218	0	420	5
Ground Probing Radar	1,524	35	21,564	231
Maritime Nav Aids and Radar	26	26	426	141
Maritime Radio (Suppliers & Demonstration)	7	3	17	64
Scanning Telemetry	0	1	9	28
Self Co-ordinated Links	26	16	241	146
Shared Access (Low Power)	1	143	27	1,126
Shared Access (Medium Power)	16	272	138	539
<b>Total for Category B</b>	<b>2,114</b>	<b>2,363</b>	<b>25,714</b>	<b>26,755</b>
KPI for Category B	100% in 42 days	91%	96%	–

## Category C

Licences that require frequency assignment, and site clearance and/or international co-ordination		Licences issued April 23 – March 24	Licences issued April 22 – March 23	Total on issue as at 31 March 24	Total on issue as at 31 March 23
Fixed Links		1,935	2,124	18,224	18,199
Satellite (Permanent Earth Station)		6	14	104	144
Satellite (Transportable Earth Station)		28	47	81	103
Satellite (Earth Station Network)		9	8	63	63
Satellite (Non-Fixed Earth Station)		0	2	15	15
Satellite (Non-Geostationary Earth Station)		1	10	7	10
<b>Total for Category C</b>		<b>1,979</b>	<b>2,205</b>	<b>18,494</b>	<b>18,534</b>
Avg KPI for Category C	90% in 42 days	97%	87%	-	-
	100% in 60 days	100%	98%	-	-

## Aeronautical licences

Licences for aeronautical services		Licences issued April 23 – March 24	Licences issued April 22 – March 23	Total on issue as at 31 March 24	Total on issue as at 31 March 23
Aeronautical Licences		2,163	1,738	12,558	14,211
<b>Total for Aeronautical</b>		<b>2,163</b>	<b>1,738</b>	<b>12,558</b>	<b>14,211</b>
KPI for Aeronautical (100% in 7 days)		95%	100%	-	-

## Programme Making & Special Events (PMSE)

Licences and authorisations for outside broadcasts and programme-making and special events		Licences issued April 23 – March 24	Licences issued April 22 – March 23	Total on issue as at 31 March 24	Total on issue as at 31 March 23
PMSE Licences		36,664	35,258	7,582	7,383
<b>Total for PMSE</b>		<b>36,664</b>	<b>35,258</b>	<b>7,582</b>	<b>7,383</b>
KPI for PMSE (100% in 7 days)		100%	100%	-	-

## Innovation and Trial (I&T) licences

Licences and authorisations for experimentation, research and demonstration	Licences issued April 23 – March 24	Licences issued April 22 – March 23	Total on issue as at 31 March 24	Total on issue as at 31 March 23
Innovation and Research Licence	401	405	410	543
Demonstration and Trial Licence	224	236	165	271
<b>Total for T&amp;D</b>	<b>625</b>	<b>641</b>	<b>575</b>	<b>814</b>
KPI for T&D (100% in 60 days)	100%	100%	-	-

## Mobile and wireless broadband licences<sup>26</sup>

Licences issued through spectrum auction or award processes	Licences issued April 23 – March 24	Licences issued April 22 – March 23	Total on issue as at 31 March 24	Total on issue as at 31 March 23
Spectrum Access: 412 - 414 MHz	-	-	1	1
Spectrum Access: 700 MHz	-	-	3	3
Spectrum Access: 800 MHz, 2.6 GHz	-	-	6	6
Public Wireless Networks: 900, 1800 MHz	-	-	4	4
Spectrum Access: 1452 - 1492 MHz	-	-	2	2
Spectrum Access: 1785 MHz, Northern Ireland	- <sup>27</sup>	-	0	1
Spectrum Access: 2100 MHz	-	-	4	4
Spectrum Access: 2.3 GHz	-	-	1	1
Spectrum Access: 3.4-3.6, 3.5, 3.6, 3.6-3.8 GHz	-	-1 [+1] <sup>28</sup>	13	13
Spectrum Access: 3.9 GHz	-	1 <sup>29</sup>	1	1
Spectrum Access: 10, 28, 32, 40 GHz	-3 <sup>30</sup>	-1 <sup>31</sup>	14	17
Spectrum Access Offshore	1	-	13	12
Spectrum Local Access	-7	10	29	36
Spectrum Access: Channel Tunnel <sup>32</sup>	-	-	2	2
<b>Total for Mobile and Wireless Broadband</b>	<b>-10</b>	<b>9</b>	<b>93</b>	<b>102</b>

<sup>26</sup> Licences varied and/or re-issued, or fully traded from one company to another, are not included in these figures.

<sup>27</sup> Licence expired.

<sup>28</sup> UK Broadband's 3.6/3.9 GHz licence was replaced by a 3.6 GHz-only licence.

<sup>29</sup> UK Broadband's 3.9 GHz spectrum was re-issued under a new licence.

<sup>30</sup> Several 28 GHz licences rationalised into single licences per operator, MBNL's 10/32/40 GHz spectrum re-issued under separate licences.

<sup>31</sup> Arqiva surrendered London region 28 GHz licence – accounted for in March 2024 total.

<sup>32</sup> Separate licence for the out-bound (UK-France direction) and in-bound (France-UK direction) tunnels.

## Channel Islands and Isle of Man licences

Licence applications made via local Regulators	Licences issued April 23 – March 24	Licences issued April 22 – March 23	Total on issue as at 31 March 24	Total on issue as at 31 March 23
Public Wireless Network: 800, 900, 1800, 2100, 2600 MHz, Channel Islands and Isle of Man	–	–	33	33
Spectrum Access (Jersey) 700 MHz, 3.4-3.8 GHz	4	–	4	0
Spectrum/Wireless Access: 3.4, 3.6, 10, 28 GHz, Channel Islands and Isle of Man	1	-1	8	7
<b>Total for Channel Islands and Isle of Man</b>	<b>5</b>	<b>-1</b>	<b>45</b>	<b>40</b>

## Digital dividend spectrum licences

Licence applications made via local Regulators	Licences issued April 23 – March 24	Licences issued April 22 – March 23	Total on issue as at 31 March 24	Total on issue as at 31 March 23
Spectrum Access 541 - 550 MHz (Cardiff)	–	–	1	1
Spectrum Access 758 - 766 MHz (Manchester)	–	–	1	1
<b>Total for Digital Dividend licences</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>
<b>Total number of licences – all categories</b>	<b>85,714</b>	<b>73,199</b>	<b>394,867</b>	<b>388,759</b>

# A6. Sustainability

## Greenhouse gas emissions, 2017/18 to 2023/24

		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
<b>Non-Financial Indicators (tonnes CO2e)</b>	Emissions for scope 1	400	327	185	108	115	140	148
	Emissions for scope 2	809	528	308	189	172	398	340
	Emissions for scope 3	519	555	594	7	57	347	674
	<b>Total emissions</b>	<b>1,728</b>	<b>1,410</b>	<b>1,087</b>	<b>304</b>	<b>344</b>	<b>886</b>	<b>1,162</b>
<b>Related energy consumption</b>	Fleet Fuel (litres)	73,659	64,710	62,665	35,465	35,406	57,175	58,578
	Gas (kWh)	1,014,202	802,709	120,016	95,613	148,858	41,671	90,344
	Electricity (kWh)	2,103,652	1,720,333	1,112,349	747,108	809,159	2,059,489	1,759,447
<b>Related business travel data (km)</b>	Air - domestic	581,902	537,247	725,261	-	50,324	284,544	569,197
	Air - international	1,617,386	1,776,192	1,680,572	653	108,509	1,062,786	1,758,892
	Rail or underground	1,793,809	1,784,741	2,000,504	13,146	437,355	1,109,722	1,277,695
	Road travel	244,308	220,376	254,311	32,544	68,955	247,452	274,043
<b>Financial indicators (£'k)</b>	Fleet Fuel	£94k	£90k	£85k	£43k	£49k	£98k	£88k
	Gas	£25k	£27k	£11k	£12k	£12k	£8k	£13k
	Electricity	£340k	£287k	£158k	£128k	£146k	£909k	£997k
	Business Travel	£706k	£743k	£838k	£5k	£139k	£660k	£998k

**Scope 1** – This covers direct consumption of gas and oil, and fuel consumption from Ofcom’s fleet cars. Gas consumption data across all years cover Ofcom’s main offices in London, Belfast, Birmingham, Edinburgh, Haydock (closed 2018) and Livingston (closed 2017). Ofcom pays for petrol and diesel fuel for its fleet cars using fuel cards, and consumption is recorded and monitored monthly. Fuel consumption from our fleet cars is largely dependent on demand for our enforcement services.

**Scope 2** – This covers electricity supplies to Ofcom’s offices. Electricity data across all years cover Ofcom’s main offices in London, Baldock, Belfast, Birmingham, Cardiff, Edinburgh, Haydock (closed 2018), Warrington, Manchester and some remote monitoring direction-finding sites around the UK. Electricity consumption is dependent on weather conditions.

**Scope 3** – Business travel financial data have been obtained from our reporting system and include travel by all colleagues regardless of where they are located. We have converted rail travel financial data into distances using guidance from the Carbon Trust Standard, and road travel financial data into distances using data from expense claims for mileage. Air travel data have been obtained directly from our business travel provider and categorised into domestic and international flights, as per Defra flight distance guidance.

## Waste minimisation and management

Waste consumption data for all years relate to Ofcom's main office in London. Accurate waste consumption data is not available for other Ofcom offices, but the associated waste disposal costs have been included. From June 2017 waste cost is included in our service charge. Our managing agent operates on a 'zero waste to landfill' basis, and all waste is recycled or incinerated with energy recovery.

		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
<b>Non-Financial Indicators (tonnes)</b>	Total waste	183	198	189	69	161	72	143
	Total non-recycled	-	-	-	-	-	-	-
	Total recycled	125	71	92	38	79	21	55
	Total composted	-	-	-	3	0	15	41
	Total incinerated with energy recovery	58	127	98	28	82	36	46
<b>Financials</b>	<b>Waste</b>	<b>£7,004</b>	<b>£43,805</b>	<b>£35,000</b>	<b>£12,470</b>	<b>£27,569</b>	<b>£26,949</b>	<b>£25,440</b>

## Finite resource consumption

Water data across all years cover Ofcom's main offices in London, Baldock, Birmingham, and Haydock (closed 2018). Water charges for other offices are included in the service charge and therefore cannot be analysed.

		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
<b>Non-Financial Indicators</b>	Water consumption (m3)	9,379	13,988	18,874	6,375	13,075	20,842	9,469
	Paper reams	3,915	2,579	2,446	23	16	168	183
	A3 reams	50	127	106	0	1	9	6
	A4 reams	3,865	2,452	2,305	23	15	159	177
	A5 reams	-	-	35	-	-	-	-
<b>Financials</b>	<b>Water</b>	<b>£6,929</b>	<b>£19,583</b>	<b>£23,321</b>	<b>£14,820</b>	<b>£25,049</b>	<b>£35,851</b>	<b>£16,288</b>



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Of612 07/2024  
E03151595  
978-1-5286-5044-1

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