|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Title:  OFCOM DUTIES ORDER  IA No:  Lead department or agency:  DCMS  Other departments or agencies: | |  | | --- | | Impact Assessment (IA) | | Date: 05/10/2011 | | Stage: Consultation | | Source of intervention: | | Type of measure: | | **Contact for enquiries**: Henry Anderton | |  | |  | |  | |  | |  | |  | |
| Summary: Intervention and Options | **RPC Opinion:** |
|  | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Cost of Preferred (or more likely) Option | | | | |
| Total Net Present Value | Business Net Present Value | Net cost to business per year (EANCB on 2009 prices) | In scope of One-In, One-Out? | Measure qualifies as |
| £6.66m | -£2.45m | £0.28m |  |  |
| What is the problem under consideration? Why is government intervention necessary?  The communications industry is subject to many potential sources of market failure; namely, the spectrum commons, local and national market power, technical externalities and the presence of merit goods. The industry is subject to the Communications Act 2003 which specifies the duties of the Office of Communications (Ofcom). Certain of the prescriptive regulations put in place in 2003 are no longer relevant. Thus, in performing its statutory duties Ofcom imposes costs upon communications markets which can no longer be justified by the benefits that result. Hence, some of Ofcom's duties require amendment or removal. | | | | |

|  |
| --- |
| What are the policy objectives and the intended effects?  This measure seeks to rationalise some of Ofcom's statutory duties which are either redundant or duplicate work performed elsewhere. This is expected to reduce unjustifiable expense, avoid duplication of effort and increase the efficiency and flexibility with which Ofcom discharges its duties. In addition, the measure seeks to remove a hidden subsidy to satellite operators, which is being paid by the UK taxpayer. |

|  |
| --- |
| What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)  Two options were considered. Option 2 was to maintain Ofcom's duties as set out in the Communications Act 2003. Option 1 means passing the proposed regulation which will remove some duties which are ineffective or unnecessary, allow others to be at the discretion of the Secretary of State and permit Ofcom to charge for services currently provided free. Option 1 is preferred because it will increase the flexibility with which communications markets are regulated and promises to deliver cost savings. |

|  |
| --- |
| Will the policy be reviewed? It  be reviewed. If applicable, set review date: / |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Does implementation go beyond minimum EU requirements? | | |  | | | |
| Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base. | **Micro** | **< 20** | **Small** | **Medium** | | **Large** |
| What is the CO2 equivalent change in greenhouse gas emissions?  (Million tonnes CO2 equivalent) | | | Traded: | | Non-traded: | |

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

|  |  |  |  |
| --- | --- | --- | --- |
| Signed by the responsible : |  | Date: |  |

# Summary: Analysis & Evidence Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Price Base Year 2012 | PV Base Year 2014 | Time Period Years 10 | Net Benefit (Present Value (PV)) (£m) | | |
| Low: Optional | High: Optional | Best Estimate: 6.66 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| COSTS (£m) | Total Transition   (Constant Price) Years | | Average Annual  (excl. Transition) (Constant Price) | Total Cost  (Present Value) | |
| Low | Optional |  |  |  | |
| High | Optional |  |  | |
| Best Estimate | 0 |  |  | |
| Description and scale of key monetised costs by ‘main affected groups’  It is proposed that satellite operators be charged a cost recovery fee, as proposed in the 2007 Ofcom consultation, for the management of the International Telecommunications Union ( ITU) - an agency of the United Nations. In 2007 this was estimated to be approximately £400,000 per year, which is to be divided between all satellite operators that have and will file to the ITU through the UK. | | | | | |
| Other key non-monetised costs by ‘main affected groups’  Not applicable. | | | | | |
| BENEFITS (£m) | Total Transition   (Constant Price) Years | | Average Annual  (excl. Transition) (Constant Price) | Total Benefit  (Present Value) | |
| Low | Optional |  | 0.76 | 6.66 | |
| High | Optional | 0.80 | 7.04 | |
| Best Estimate |  | 0.76 | 6.49 | |
| Description and scale of key monetised benefits by ‘main affected groups’  Ofcom revenues increase by satellite filing charges, leading to a reduction in demand on the public purse. The charges will be shared between all satellite operators who have filed and will continue to file through the UK. Business costs will be reduced by the removal of mandatory annual reviews of PSB programme policy and Channel 3 networking arrangements. Ofcom will reduce its costs by at least £0.44 m p.a. and increase its revenue by £0.4 m p.a.,making total net savings of £0.84 million p.a. | | | | | |
| Other key non-monetised benefits by ‘main affected groups’  Not applicable. | | | | | |
| Key assumptions/sensitivities/risks Discount rate (%) | | | | | 3.5 |
| Ofcom 2007 consultation on cost recovery for ITU satellite filings. Satellite operators seem to be willing to pay a cost recovery charge to Ofcom for the management of the satellite filings they submit. | | | | | |

BUSINESS ASSESSMENT (Option 1)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Direct impact on business (Equivalent Annual) £m: | | | In scope of OIOO? | Measure qualifies as |
| Costs: 0.28 | Benefits: 0 | Net: -0.28 |  |  |

**PROBLEM UNDER CONSIDERATION**

The Communications Act 2003 defines the duties of the Office of Communications (Ofcom). Since, that time there have been many developments in the communications markets over which Ofcom presides, some of which have had substantial impact on the fundamental structure of those markets. Certain aspects of prescriptive regulation are no longer relevant.

**RATIONALE FOR INTERVENTION**

A significant proportion of Ofcom’s duties have not been adjusted in the light of communications market changes since 2003. As a consequence, it has become increasingly clear that some of those duties are no longer required. In addition, it is no longer appropriate that other duties are performed according to a pre-set timetable regardless of the costs and benefits that are likely to result. Finally, the Communications Act 2003 neglected to provide Ofcom with powers to charge for some of its services. This measure seeks to rationalise some of the more superfluous duties and to provide powers and discretion in the performance of others.

Rather than wait until the conclusion of the ongoing Communications Review which DCMS is carrying out, expected to lead to primary legislation in 2015, the Government intends to take the earliest opportunity to amend Ofcom’s statutory duties and powers. Hence, it proposes to pass regulations under the Public Bodies Act to amend those duties. This IA accompanies the consultation which will precede laying the Order before Parliament.

**POLICY OBJECTIVE**

This measure has three policy objectives. First, it intends to prosecute the Government’s de-regulation agenda by assisting Ofcom to become more effective and efficient. Ofcom will be enabled to set up internal structures which are best adapted to the current marketplace and which are focussed on the most pressing risk and regulatory problems. Second, it will reduce unnecessary public expense and avoid duplication of duties and functions among public bodies. This will assist Ofcom to meet its spending targets and promises to yield the same regulatory gain, measured by market failure ameliorated, at lower cost. Third, it removes an element of subsidy paid by UK tax payers for satellite providers inherent in the current legislation.

**OPTIONS**

The imminence of the next statutory review of Public Service Broadcasting means that it is not possible to consider delay as an option as was suggested by the RPC. Two options have been considered. Option 1 is the preferred option which proposes to make amendments to Ofcom’s statutory duties and powers. Option 2 is the do nothing option.

**Option 1**

Option 1 proposes a series of changes to Ofcom’s duties and powers. Together they are intended to reduce costs and increase flexibility of operations. One of the changes also removes a hidden subsidy by allowing Ofcom to charge, for the first time, for satellite network filing at the ITU by satellite operators. The proposed changes are described in turn.

1. ***Allow Ofcom to design changes to its internal governance.***

Ofcom relies upon advisory boards, panels and committees for information about the changing nature of public expectations about, and experience of, communications services. Part 1 of the Communications Act 2003 prescribes the governance structure which Ofcom must employ to perform its duties. This includes a Content Board, a Consumer Panel and advisory committees in the Nations and regions.

The existing arrangements have the virtue of ensuring that a particular form of minimal governance structure remains in place. However, experience shows that Ofcom’s governance duties could be performed more flexibly, more effectively and more in tune with national and regional needs and priorities.

This measure does not change the duties intended to be performed by Ofcom’s governance structure. However, it is expected that it will allow Ofcom the flexibility to create, subject to approval by the Secretary of State, structures through which a wide variety of views can be efficiently expressed. As a consequence, it is expected that Ofcom will be able to meet its duties at a reduced cost.

1. ***Remove the requirement that Ofcom promote development opportunities for training and equality of opportunity.***

Section 27 of the Communications Act requires Ofcom to promote development opportunities for training and equality of opportunity.

Skillset is the body which provides skills and training for employees and businesses for the media industry. In particular it helps provide the training opportunities the UK broadcasting sector needs to help maintain its strong position in the world. All employers in the UK are subject to the Equality Act 2010, and as a public body, Ofcom is also required to comply with the public sector equality duty. As a result, the training and equal opportunity requirements set out in the Communications Act 2003 have largely been superceded and leave Ofcom alone among UK regulators charged with this type of duty.

1. ***Amend the duty to assess the Channel 3 Networking Arrangements.***

The Communications Act at sections 293 and 294 requires Ofcom to undertake an annual review of the Channel 3 networking arrangements, the set of arrangements between the holders of the 15 regional Channel 3 licences which enable the licensees to work together to provide a competitive public service network. The purpose of review by Ofcom is to assess whether the arrangements continue to enable the licensees to meet the statutory objective, or whether modifications are necessary in order that the licensees may do so. Experience has shown that an annual review cycle places a considerable regulatory burden on the licence holders and is of uncertain value. Nevertheless, the Government believes it is appropriate that Ofcom have the power to conduct such a review if it deems it necessary.

The measure removes the duty to perform annual reviews of the Channel 3 networking arrangements and provides Ofcom with the power to perform such a review as it thinks fit. This measure should result in savings of around £30,000 pa for the Channel 3 broadcasters, and removing this duty from Ofcom will allow it to make cost savings estimated to be up to £60,000 per annum.

1. ***Amend the duty to review public service broadcasting every 5 years.***

Under Section 264 of the Communications Act 2003, Ofcom is required to regularly review public service broadcasting at least every 5 years.

The purpose of the review is to discover the extent to which PSBs have provided services relevant to the public service television and so considers how relevant the PSB merit good is likely to be in the UK broadcasting market in the foreseeable future. Since 2003, Ofcom has reviewed public service broadcasting on two occasions, the last ending in 2009. It has also published annual reports on public service broadcasting.

The advantage of the current arrangement is that public service broadcasting is reviewed independently every 5 years. This exercise leads to the publication of much information about the value attached to the PSBs and how the service develops over time. However, it is judged that, in the absence of changes to political priorities with regard to PSBs, the substantial resources involved in such a review are better employed in other uses.

This measure will remove the obligation of regular PSB review from Ofcom and, instead, make such reviews at the request of the Secretary of State. Cost impacts in this note are based on the review being conducted once every 10 years.

1. ***Remove the requirement that public service broadcasters (PSBs) provide annual statements of programme policy.***

Sections 266 and 267 of the Communications Act 2003 require public service broadcasters to provide annual statements of programme policy which set out their proposals for delivery of their public service remit and duties as well as self-assessing delivery over the previous year.

Under the Act it is not for Ofcom to comment on the actual content of the documents unless there is evidence of a systemic failure in the delivery of public service broadcasting, or a ‘significant change’ (as defined in the Act) is planned for PSB output which we have not been notified about. If neither of these conditions is met, Ofcom is required simply to confirm that the statements have been prepared. Accordingly the system has failed to generate the self-critical and questioning analysis envisaged, with the result that these sections have had to be underpinned by other more effective measures. Ofcom will continue to collect data on these matters from all PSBs and produce an annual report on PSB performance. It will also conduct PSB reviews at the request of the Secretary of State. In addition, the regulation of Channel 4 was strengthened under the Digital Economy Act 2010 which now requires the production of Statement of Media Content Policy that provides a more effective monitoring tool than annual statements of programme policy. The requirement to provide annual statements of programme policy has two aspects. First, Ofcom conducts routine checks to ensure compliance with the note of guidance which cost £5,000 p.a. Second, Ofcom estimates that once a year a policy statement contains a proposal for significant change which warrants further analysis and consideration at an estimated cost of £10,000. Thus, total savings to Ofcom are estimated at £15,000 p.a.

There will be additional savings to the operators of Channels 3 and 5. We do not have information on the savings which will be accrued by these channels. These statements would need to be developed, and then signed off by board level staff.

This measure proposes, on grounds of ineffectiveness and redundancy, to remove the requirement for the production of annual statements of programme policy.

1. ***Amend the duty to review a change of control of a Channel 3 or Channel 5 licensee.***

At present Section 351 of the Communications Act 2003 requires Ofcom to conduct a review if there is a significant change of control over a Channel 3 or Channel 5 licensee. It is aimed at ensuring that concentrations of market power in the communications market will not undermine achievement of the PSB objectives. The review is, therefore, limited to the impacts that such a change of control may have upon the licensee’s ability to meet the PSB obligations listed in the Act. These include commissioning original productions, providing news and current affairs and, in the case of Channel 3, broadcasting regional programmes. Three such reviews have been undertaken since 2003.

This measure proposes that such reviews should be at the discretion of Ofcom.

This change does not affect fit and proper persons tests applied by Ofcom. Neither will it affect in any way the cross-ownership rules which prevent a national newspaper with an aggregate market share of over 20% from owning more than 20% of an ITV licence.

1. ***Provide Ofcom powers to charge fees for satellite filings with the International Telecommunications Union.***

The International Telecommunications Union (ITU) coordinates the international use of satellites by allocating orbits to users. Satellite operators draw up technical specifications of their use of satellites which are filed at the ITU on their behalf by Ofcom. This is under a duty arising from Secretary of State Directions on Ofcom to represent HMG in the ITU. The Communications Act 2003 has no provision for Ofcom to be able to charge for this activity. Hence, since 2003, satellite operators based both in the UK and overseas have been subsidised for this activity at the expense of the UK taxpayer. By contrast, other countries commonly charge for this eg France at about €20,000 per filing, Australia at about $A15,000 per filing plus any additional cost recovery charges and the USA in the region of $US150,000 per filing.

This measure proposes to remove this subsidy to satellite operators by permitting Ofcom to charge for filing at the ITU. This will mean that the taxpayer will no longer subsidise these applications via grant in aid to Ofcom. Ofcom estimates that the cost of satellite filing is £400,000 p.a. which will be charged on a cost recovery basis. Hence, it is expected that this will increase costs to business by approximately £400,000 per annum.

It is possible that, as a result, some satellite providers may choose to employ a regulator other than Ofcom to perform filing on their behalf at the ITU. All the while the cost remains as envisaged it would form a relatively small proportion of the total costs of using the spectrum involved. In the short term, therefore, it is judged that imposing this charge will not divert filing activities to other jurisdictions.

**Option 2**

Option 2 is the “Do Nothing” option. Under it, the opportunity to amend the Communications Act 2003, afforded by the passage of the Public Bodies Act, is not taken and the proposed measure is not tabled. As a result, Ofcom’s operations remain as they have been since 2003 without being amended in the light of experience. It is likely, therefore, that they are less flexible and more costly than if Option 1 is adopted. Moreover, they grant a hidden subsidy to satellite operators which currently are not charged for filing documents at the ITU and for management of the filing activities and international frequency coordination. As a consequence, the Government’s policy objectives of de-regulation, reduction of unnecessary public expense and removal of subsidy are not furthered by Option 2.

**COSTS AND BENEFITS**

Option 1 promises to reduce the long-term costs of, and increase revenues earned by, Ofcom operations to counter market failures. By contrast, Option 2 implies zero changes to costs and revenues. Net costs of Option 1 are, therefore, couched in terms of reductions in costs or increases in revenues compared with Option 2.

Ofcom is funded by the taxpayer, through grant in aid contributions, and by a levy on industry. Reductions in Ofcom expenditure will lead to benefits to either the public purse or a reduction in the levy. Costs and benefits set out in this Impact Assessment are estimates based on Ofcom’s experience of operating the regulatory regime.

The following estimates of costs and revenues have been prepared by Ofcom for the purposes of this IA. It is possible that its estimates of cost savings and revenue generation may be subject to optimism bias. The costs and revenue implications of the proposed measure are set out in the order that the changes were addressed above.

**Governance Reform**

In the event that Ofcom were provided with governance flexibility, and the Secretary of State was to consent to their proposals, it is estimated that, in the short term, annual savings of up to £35,000 may be possible as a result of this measure.

This would be the equivalent of the costs saved by the abolition of the Advisory Committee for England. The timing of this change would be for Ofcom to decide and may not be immediate. Further changes in the governance structure may also be possible in the longer term and will be considered by Ofcom once the Order has been passed.

**Training and Equality**

In the light of the Government’s proposals, Ofcom closed down BETR at the end of June 2011, saving £300,000 p.a. in contributions from broadcasters, and £150,000 p.a. in contributions from Ofcom. The one-off costs of this were £60,000.

Based on other costs incurred to date, Ofcom expects to save about a further £20,000 p.a. once the duty is removed.

**Annual Statements of Programme Policy**

This work has two aspects. First Ofcom conducts routine checks to ensure compliance with the note of guidance which cost £5,000 p.a. Second, Ofcom estimates that once a year a policy statement contains a proposal for significant change which warrants further analysis and consideration at an estimated cost of £10,000. Thus, total savings to Ofcom are estimated at £15,000 p.a.

There will be additional savings to the operators of Channels 3 and 5. We do not have information on the savings which will be accrued by these channels. These statements would need to be developed, and then signed off by board level staff.

**Annual Review of Networking Arrangements**

These reviews have an estimated cost to Ofcom of £200,000 pa as well as requiring a significant time investment by stakeholders.

Companies who have to participate in this duty will have to prepare and agree their approach. This would require participation and approval from staff up to and including Board level within their organisation. Data is not held on these costs.

**5-yearly PSB Reviews**

Ofcom currently performs PSB reviews under its statutory duties once every 5 years. The review does not place significant direct cost on industry, but Ofcom incurs the cost of performing the review. This cost is then included within the regulatory fees that Ofcom charges industry stakeholders.

If the frequency of PSB reviews were to be halved then Ofcom expects to save between £135,000 and £180,000 p.a.

**Change of Control Reviews**

Ofcom estimates that since 2003 £30,000 has been spent on this function. Removal of this obligation will, therefore, save £5,000 p.a.

**Permit Charges for Satellite Filing at the ITU**

The current cost of these filings is approximately £400,000 p.a., as estimated in the 2007 consultation. Ofcom expects to charge on the basis of full-cost recovery for those satellite operators which choose to file via the UK. On the basis of 20 operators choosing to do this Ofcom expects to incur extra annual costs of between £500 and £1,000 for administering the charging system.

We would expect that satellite operators would either continue to file in the UK, in which case they would pay the costs of the work that they commission. Alternatively, they could seek to file abroad via another Administration, in which case they would incur the costs there.

The extent of these changes is summarised in Table 1.

**TABLE 1**

**SUMMARY OF COST AND REVENUE CHANGES RESULTING FROM OPTION 1**

**(£ million in 2012 prices)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| £ million p.a. in 2012 prices | Ofcom | | | Ofcom Stakeholders | |  | |
| Change | Annual Cost Increases | Annual Cost  Reductions | Annual Revenue Increase | | Increased costs | | Reduced costs | |
| Governance Reform(1) |  | 0.035 |  | |  | |  | |
| Equality Training(2) |  | 0.020 |  | |  | |  | |
| Programme Policy(3) |  | 0.015 |  | |  | |  | |
| Networking Arrangements(4) |  | 0.190 |  | |  | | 0.030(8) | |
| PSB Reviews(5) |  | 0.135-0.180 |  | |  | |  | |
| Change of Control(6) |  | 0.005 |  | |  | |  | |
| Satellite Filing(7) | 0.001 |  | 0.400 | | 0.400 | |  | |
| TOTAL | 0.001 | 0.400-0.445 | 0.400 | | 0.400 | | 0.030 | |

Notes, sources and methods:

1. Following reductions in expenditure in 2010, Ofcom reduced its expenditure on its governance structures. From this reduced base, Ofcom estimates that there are potential savings through reducing its governance structure further, beyond what is currently set out in legislation. It estimates that savings of up to £35,000 in the event that certain advisory bodies were abolished.
2. Following the government’s declaration of its intention to remove this duty, Ofcom and industry stakeholders abolished BETR, and took the duty in house. Ofcom estimates that it currently spends £10k per annum fulfilling this duty. Based on other costs incurred to date, Ofcom expects to save about a further £20,000 p.a. once the duty is removed.
3. Ofcom costs.
4. The 2009 NWA report cost £190,180. The reviews are annual.
5. PSB savings: estimated £135,000-180,000. This figure is based on annual savings if a review taking place every ten years rather than every five. Ofcom has projected forward, based on how much it estimates it would spend on a PSB review if it were to have to conduct one this year. The scale of the saving is difficult to quantify exactly, as the frequency and extent of the work to be covered would be at the level set by the SoS, so could be more frequent than once every ten years.
6. This figure is based on Ofcom figures for conducting these reviews in the past.
7. Ofcom consulted on this proposal in 2007-8, and estimated these costs at £400k pa based on the current expenditure on the work at this time. The reduction in taxpayer expenditure will either come from fees paid by companies, covering the cost of the work, or the work no longer being required as companies decide not to file in the UK. The stakeholders who will incur the costs are globally based. This represents a cost transfer from the public purse to those companies who are seeking to complete a satellite filing.
8. Assumes 3 senior managers for 5 days plus 5 support staff for 5 days plus 30% overheads. Applies to ITV, STV, UTV and Channel TV every year. Rates taken from Office of National Statistics: “Annual Survey of Hours and Earnings 2010”, Table 5, average weekly earnings of managers and senior officials and associate professional and technical operations.

Compared to Option 2, it is expected that adoption of Option 1 will allow Ofcom to reduce its costs by at least £0.38 million p.a. and increase its revenue by £0.4 million p.a..

**TABLE 2**

**SUMMARISED COST REDUCTIONS AND REVENUE INCREASES**

**(£ million in 2012 prices NPV 2014-23)**

|  |  |
| --- | --- |
| **COST DECREASES:** |  |
| Changes to Governance | 0.29 |
| Cease Equalities Training | 0.17 |
| Cease Statements of Programme Policy | 0.12 |
| Reduction in Networking Reports | 1.58 |
| Reduction in PSB Reporting: |  |
| Minimum | 1.12 |
| Maximum | 1.50 |
| Remove Duty to Review Change of Control | 0.04 |
| TOTAL COST DECREASES |  |
| Minimum | 3.33 |
| Maximum | 3.70 |
|  |  |
| **REVENUE INCREASES** |  |
| Satellite Filing | 3.33 |
|  |  |
| **NET COST REDUCTIONS/REVENUE INCREASES** |  |
| Minimum | 6.66 |
| Maximum | 7.03 |

**RATIONALE OF APPROACH**

The approach adopted for the preparation of these estimates was to enlist the assistance of Ofcom. Only Ofcom can make informed estimates of many of the likely impacts of the proposed measure. However, where that is not necessarily the case it is hoped that the consultation will help correct any inaccuracies that the approach adopted may entail. It is conceivable that an alternative approach involving modelling of the operations of Ofcom and the markets and the companies it regulates could also yield robust estimates of costs and benefits. However, it was judged that the expense involved would be disproportionate to the savings in administration costs that are in prospect if the measure is adopted.

**RISKS**

Two risks have been identified:

1. Ofcom’s estimates of cost savings or revenue gains may suffer from optimism bias. As a consequence, the totals set out in Table 1 may be over-estimated.
2. The Secretary of State may choose to exercise his discretion to order reviews at more frequent intervals than those currently set out in the Communications Act 2003. In that case, Ofcom costs may rise as a result of this measure.

**ONE IN, TWO OUT**

This measure counts as an In. In 2009 prices, PVCNB are estimated at £2.45 million for the 10 years to 2023. This implies that the EANCB of this measure is £0.28 million. However, this represents the cost to business of the removal of the taxpayer subsidy currently being afforded satellite operators for filing by Ofcom at the ITU.

**WIDER IMPACTS**

No wider impacts have been identified.

**SUMMARY AND IMPLEMENTATION**

If this measure comes into force it will rationalise some of Ofcom's statutory duties which are out of date or duplicate work performed elsewhere. This is expected to help Ofcom become more efficient and flexible and to bring back certain functions to the Secretary of State. It is proposed that a full public consultation will be carried out on this measure later this year and that a draft Order (to be made under the Public Bodies Act – currently a Bill and expected to receive Royal Assent by the end of 2011) will be presented to Parliament in Spring 2012. It is hoped that this measure will enter into force by July 2012.