


# Consultation response form

## Your response

Question	Your response
<p><b>Question A: Do you agree with the proposal to reflect the costs of participating in the funding scheme by adding a 5% mark-up to the payment made to a claimant?</b></p>	<p>Confidential? – N</p> <p>No, we do not agree with this costing model.</p> <p>This is not a realistic way of calculating this part of the Scheme’s compensation.</p> <p>The method particularly disadvantages small, fixed-licence charitable/community venues. Such sites do not have tenured technical assistance, so this effort has to be bought-in.</p> <p>The equipment affected is usually ‘consumer’ grade and economically priced. The 5% proposal will not meet the actual costs of engineering its replacement.</p> <p>Thus we suggest that every geographical SITE affected receives a ‘call out’, base compensation (e.g. £150 tba).</p> <p>The cost of the physical replacement of the units has little to do with the cost of the equipment. So it is suggested that a further FIXED amount is added to each recorded, LICENSED frequency to the above ‘call out’ figure (e.g. £50 per frequency, tba).</p> <p>Sites often have more than one item of equipment using a particular frequency. Assuming that the site and per-frequency fixed compensation model described here is adopted, the 5% marginal metric could be applied on such further submitted equipment.</p> <p>This is a realistic compensation model for small licensed sites since it is based on the TIME to actually do the work, not the perceived/market value of the equipment. However, it may be applicable to larger sites.</p> <p>Thereby, every licensed site affected is reasonably compensated for the person-hours involved in the early change of equipment Ofcom requests. In particular, it does not penalise small sites that have charitable/community objectives.</p>



Since there is no published schedule or performance promise for the replacement/compensation, the cash-flow implications also need to be considered. At least 5% (tba) per annum on the replacement costs for the DELAY in refunding replacements should be added to the above.