

# Review of Annual Licence Fees

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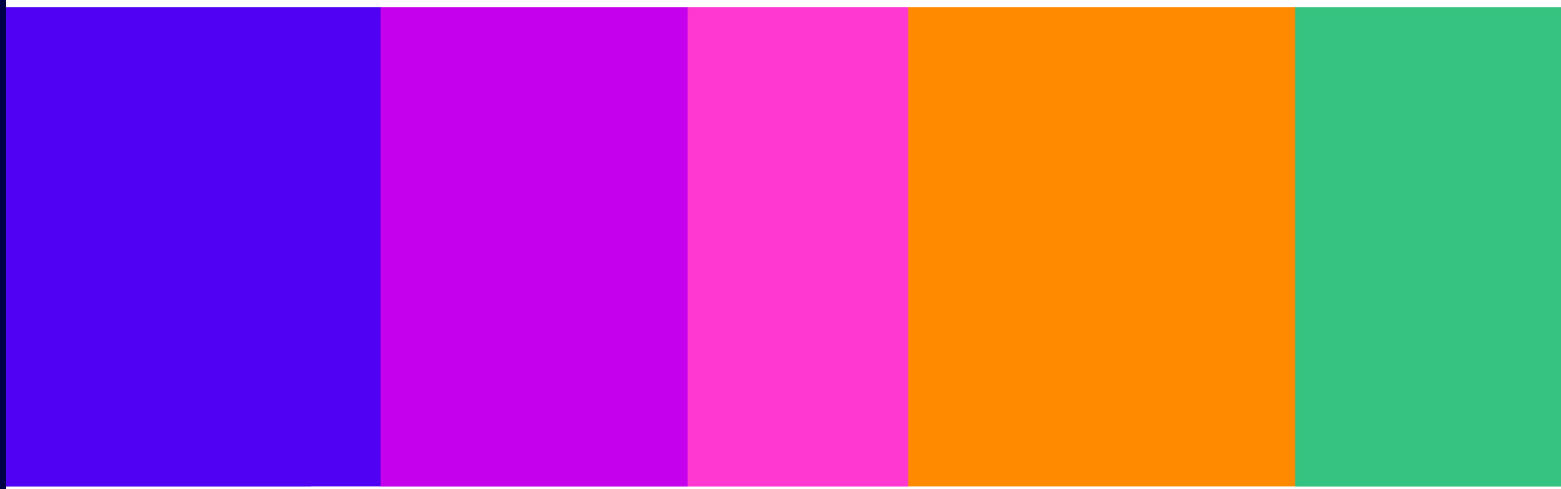
Consultation on proposals for implementing revised ALFs and notice of proposal to make Regulations

## Consultation

Published: 27 February 2025

Closing date for responses: 11 April 2025

For more information on this publication, please visit [Consultation: Review of Annual Licence Fees](#)



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Annexes 6 and 7 are published as separate documents, available [here](#).

# 1. Overview

- 1.1 Annual licence fees (“**ALFs**”) are fees we charge mobile network operators (“**MNOs**”) to use certain spectrum bands. We currently charge ALFs for three mobile spectrum bands (900 MHz, 1800 MHz and 2100 MHz, together the “**ALF spectrum**”). The ALFs for this spectrum total around £320m per year and are paid by MNOs to His Majesty’s Treasury.
- 1.2 In July 2024, we announced our decision to review the ALFs we charge for 900 MHz, 1800 MHz and 2100 MHz bands, in response to a request from BT/EE. In December 2024, we consulted on proposals for revising the levels of these fees (the “**December 2024 consultation**”). The net effect of the changes we proposed would be that the total amount MNOs would pay to use the ALF spectrum would reduce by around £40m per year, with each MNO seeing a reduction in the total payment amount it pays.
- 1.3 Whilst we have not made a final decision on the appropriate levels of the ALFs, we are now consulting on proposals for how MNOs would pay these fees. In particular, this consultation sets our proposals for aligning the date on which fees in each of the ALF spectrum bands become due, and for enabling MNOs to pay these fees in 12 monthly instalments.
- 1.4 This document also provides notice of our intention to make Regulations which would implement the proposals set out in this document and in our December 2024 consultation.

## What we are proposing – in brief

We are seeking views on our proposals for how MNOs pay ALFs. In particular, we are proposing to:

- allow licensees to pay ALFs in 12, rather than 10 monthly instalments; and
- align the fee payment date for 900 MHz, 1800 MHz and 2100 MHz spectrum so that liability for ALFs in each band falls due on the same date each year (31 October).

We welcome responses to this consultation by **11 April 2025**.

The overview section in this document is a simplified high-level summary only. The proposals we are consulting on and our reasoning are set out in the full document.

# 2. Introduction

## Background

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- 2.1 Annual licence fees (“ALFs”) are fees we charge mobile network operators (“MNOs”) to use certain spectrum bands. They typically come into effect after a mobile operator’s licence won at auction has come to the end of its initial period.
- 2.2 In July 2024, we announced our decision to review the ALFs we charge for 900 MHz, 1800 MHz and 2100 MHz bands, in response to a request from BT/EE; and in [December 2024](#), we consulted on proposals for revised fees in each band.
- 2.3 The net effect of our proposed changes would mean that the amount MNOs pay to use these spectrum bands would reduce by around £40m per year, with each of the MNOs seeing a reduction in the total payment amount they pay.<sup>1</sup>
- 2.4 The requirement to pay ALFs, as well as the requirements for how ALFs must be paid, are set out in Regulations.<sup>2</sup> Among other things, these Regulations provide that:
- a) Liability for payment of each ALF is due on a specific date (which we refer to as the “**fee payment date**”). Because they were set at different times, the 2100 MHz fee payment date differs from the 900 MHz and 1800 MHz ALFs:
    - i) ALFs for the 2100 MHz band become due on 4 January every year and licensees are liable for the entire year’s fees, if they hold spectrum on this day of each year;
    - ii) ALFs for the 900 and 1800 MHz bands become due on 31 October every year and licensees become liable for the entire years’ fees, if they hold spectrum on this day of each year; and
  - b) Licensees can pay ALFs in all three bands in 10 equal instalments.
- 2.5 As we have reviewed the level of the ALFs, we have also considered whether it would be beneficial to change these fee payment mechanics. In doing so, we asked each of the MNOs (as the only spectrum licensees who currently pay ALFs), whether they would prefer:
- a) the option to pay in 12, rather than 10, monthly instalments;
  - b) the fee payment date to be the same for all ALF bands; and
  - c) liability for the spectrum to accrue monthly, rather than annually.
- 2.6 In this document, we summarise the initial feedback we received from the MNOs and our initial proposals. We also provide a draft of the proposed Regulations which would implement the proposals set out in this document and in our [December 2024 consultation](#).

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<sup>1</sup> A summary of the proposed changes is outlined in paragraphs 1.5 – 1.7 of our [December 2024 consultation](#)

<sup>2</sup> [The Wireless Telegraphy \(Licence Charges for the 900 MHz Frequency Band and the 1800 MHz Frequency Band\) Regulations 2018](#), and [The Wireless Telegraphy \(Licence Charges for the 2100 MHz Frequency Band\) Regulations 2021](#)

## Structure of the document

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- 2.7 **Section 3** set out our initial view on whether we should permit licensees to pay ALFs in 12, rather than 10, monthly instalments.
- 2.8 **Section 4** set out our initial view on whether we should align the fee payment date for the ALF spectrum.
- 2.9 **Section 5** set out our initial view on whether spectrum liability should accrue monthly rather than annually.
- 2.10 **Section 6** gives notice of our proposals to make new 900/1800 MHz regulations.
- 2.11 **Section 7** gives notice of our proposal to make new 2100 MHz regulations.
- 2.12 This document also includes the following annexes:
- Annex 1: Responding to this consultation
  - Annex 2: Ofcom's consultation principles
  - Annex 3: Consultation coversheet
  - Annex 4: Consultation questions
  - Annex 5: Legal Framework
  - Annex 6: Draft 900/1800 MHz Regulations
  - Annex 7: Draft 2100 MHz Regulations

## Next steps

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- 2.13 We invite responses to this consultation by **11 April 2025**. We then intend to publish a statement setting out our decisions on the proposals set out in this document and our [December 2024 consultation](#) in Q2 FY 2025/6.

# 3. Payment in instalments

## Background

- 3.1 Currently, MNOs become liable for ALFs once a year, on the “fee payment date” (see Section 4 below), but they are permitted to pay them in 10 equal instalments, where each instalment is paid once a month for the first ten months of the year in which the fees are due.
- 3.2 Before publishing this consultation, we asked each of the MNOs whether they would prefer to pay in 12 monthly instalments.

## Summary of MNOs’ responses

- 3.3 All four MNOs expressed a preference to pay in 12, rather than 10, instalments. In particular:
  - a) BT/EE and Vodafone noted that 12 monthly payments would simplify how ALFs payments are managed in their internal accounting systems and reduce administrative burdens. Vodafone said that this would help avoid complications in terms of managing each invoice where a given month is a “payment” or “void” month.
  - b) H3G, Vodafone and BT/EE also said this would prove beneficial from a cash flow and financial reporting perspective, where the obligation to pay is spread across the entire financial year, rather than the current option where there are two months without payments.
- 3.4 Separately, H3G proposed that we should consider offering the option for licensees to pay in full at the due date in exchange for an incentive, such as a discount on the cost of the funds.

## Our proposals

- 3.5 Having considered the MNOs’ responses, we propose to permit licensees to pay ALFs in 12 monthly instalments and discontinue permitting them to pay ALFs in 10 monthly instalments.
- 3.6 We have also considered H3G’s proposal that we offer an incentive for licensees to pay in full at the due date. We do not consider this would be appropriate as we consider the proposed ALFs set out in the December 2024 consultation are the appropriate fees to incentivise optimal use of the relevant spectrum, and accepting a lower fee in exchange for specified payment mechanics would be less likely to secure optimal use of spectrum. We also note that the obligation to pay ALFs requires payment of the full amount on the fee payment date, and we currently offer the option of payment by instalments as an administrative concession, without a requirement for licensees to pay interest on the instalment payments. If we were to consider the incentives of payment mechanisms, we would also need to consider the alternative approach of charging interest on instalment payments.
- 3.7 The ALF Regulations currently provide that the 10 instalments will be ‘equal’. This will not necessarily be the case when there are 12 monthly instalments (given that the total annual sum may not be divisible by 12). Therefore, we propose to set out in the Regulations that

the first 11 instalments will equate to 1/12th of the total annual sum payable, rounded down to the nearest pound, and that the 12th instalment will be the remainder of the total annual sum payable.

## Consultation question

**Question 1:** Do you agree with our proposal to permit licensees to pay ALFs in 12 monthly instalments? If not, please give reasons.

# 4. Fee payment date

## Background

- 4.1 The “fee payment date” is the date on which ALFs become payable by the licensee who holds the spectrum on that date.
- 4.2 Currently, the fee payment date for the 2100 MHz ALFs is 4 January, while the fee payment date for the 900MHz and 1800 MHz ALFs is 31 October.
- 4.3 We asked all licensees if they would prefer to align all ALF payments to the same date.

## Summary of MNOs responses

- 4.4 VMO2 and Vodafone supported aligning the fee payment dates for the ALF spectrum, while H3G had no preference and BT/EE was happy for the dates to remain different. In particular:
  - a) Vodafone noted this would simplify its forecasting, as it would mean it would only need to forecast CPI on a specific month, rather than in multiple months to reflect each cycle.
  - b) BT/EE wanted to ensure that this proposal would not lead to higher cash outflows in any financial year compared to if the annual payment dates had remained as they are now.
  - c) Vodafone wanted to avoid a scenario where it pays instalments for both the old and new cycle in the same month.

## Our proposals

- 4.5 We can see a benefit to aligning the fee payment dates from an administrative perspective. However, we recognise that aligning the fee payment dates could give rise to some of the transitional concerns raised by stakeholders.
- 4.6 We have therefore considered two options<sup>3</sup>:
  - a) **Option 1**: Align the fee payment dates to 31 October for all the ALF spectrum.
  - b) **Option 2**: Do not align the fee payment dates - keep the fee payment date as 4 January for 2100 MHz spectrum, and 31 October for 900 and 1800 MHz spectrum.
- 4.7 Below, we outline how we consider each option would work,<sup>4</sup> and the associated pros and cons we have identified.

### Option 1: Align the fee payment dates

- 4.8 If we decided on this option, we would align the fee payment dates to **31 October**.
- 4.9 In order to implement this, we propose that:

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<sup>3</sup> We note we have not considered in detail the option of aligning the fee payment dates to 4 January. This is because a fee payment date in early January requires us to create and send all invoices in December, which can be administratively difficult for us. Therefore, a fee payment date in October is preferable. In addition, we are intending to make a decision on revised ALFs by Q2 FY 2025/6, which means we would be able to implement the new 900/1800 MHz ALFs from October 2025, without needing to pro-rate those fees.

<sup>4</sup> These proposals assume we make a final decision on the proposals set out in this document and in our December 2024 consultation by the end of Q2 FY 2025/6.



- a) For **900 and 1800 MHz**:
  - i) we would maintain the fee payment date of **31 October**; and
  - ii) bring in the revised fees from 31 October 2025. These fees would be calculated using CPI from August 2025.
- b) For **2100 MHz**:
  - i) While the existing 2100 MHz regulations would be revoked, the obligations under those regulations to pay the fees which were imposed on 4 January 2025 in 10 instalments would remain in force, meaning that licensees would continue to pay the existing fees under this arrangement.
  - ii) The new fees would be payable on 4 January 2026.
  - iii) To align the fee payment dates, we would pro-rata the revised ALFs from 1 January<sup>5</sup> – 30 October 2026 so that 2100 MHz licensees would pay the fees for use of spectrum over this period in 10 monthly instalments (each due by the end of each month) over this period. These 10 months of ALFs would be calculated using CPI from August 2025. We explain how we propose to derive this fee in more detail in Section 7.
  - iv) On 31 October 2026, and on each anniversary of that date, licensees would pay the revised 2100 MHz ALFs on the new fee cycle.
- c) This means that from 31 October 2026, liability for all ALFs would arise on 31 October of each year. Licensees would have the option to pay these ALFs in 12 monthly instalments, each due on the last day of each month.
- d) In practice, we have generally required the first instalment payment to be paid on the last day of the month of the relevant fee payment date, i.e.
  - i) for 2100 MHz, the fee payment date is currently 4 January, but we do not require the first instalment payment until 31 January; and
  - ii) for 900 MHz and 1800 MHz, the fee payment date is 31 October, and we require the first instalment payment by that same day.

Our proposal to move the fee payment date for 2100 MHz to 31 October would mean requiring the first instalment payment by 31 October, as we currently do for 900 and 1800 MHz.

- 4.10 We have considered BT/EE's concerns about cash outflow in each financial year. We note that for the 900 MHz and 1800 MHz spectrum, we are not proposing to change the fee payment date, so there would be no difference in cash outflows.
- 4.11 However, our proposal to change the fee payment date for 2100 MHz spectrum would result in an increase in 2100 MHz licensees' cash outflows for the 2026 calendar year. This is because (as explained in paragraph 4.9d) above) moving the fee payment date from the 4<sup>th</sup> of the month to the 31<sup>st</sup> of the month means that the MNOs will in effect make 13 monthly payments in 2026 - with the 13<sup>th</sup> payment being due on 31 December 2026 – while if we

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<sup>5</sup> The current 2100 MHz fees cover the period 1 January – 31 December. As set out in our [2100 MHz Statement](#) (paragraph 2.8) we decided to set the date for payment of the ALF from 4 January 2021 because 1 January was a bank holiday throughout the United Kingdom.

did not align the fee payment dates the 13<sup>th</sup> monthly payment would not be due until 4 January 2027.<sup>6</sup>

- 4.12 In addition, there may be differences in the actual fee levels between the two fee options due to the month in which CPI is applied to the fees. Our proposal above to pro-rata the 2100 MHz fees over calendar year 2026 would mean that, for the first 10 months of the year, licensees would pay an ALF calculated using August 2025 CPI, while for the remainder of the year, licensees would pay an ALF calculated using August 2026 CPI. If we do not align the fee payment dates (see Option 2 below), we would propose licensees pay their entire 2026 ALF based on November 2025 CPI.
- 4.13 We have also considered Vodafone's preference to avoid paying two instalments in one month. We note that if we were to implement our proposal as set out in paragraph 4.9 above, licensees would pay two instalments on 31 October 2026 (i.e. the 10<sup>th</sup> instalment of the January-October 2026 fee, and the first instalment of the October 2026-October 2027 fee). We note that, as an alternative, we could split the January-October 2026 fee into nine (larger) instalments with the ninth instalment becoming due in September 2026. This would avoid two payments becoming due in October 2026.

### Option 2: Do not align the fee payment dates

- 4.14 If we decided on this option, we would not align the fee payment dates to 31 October and would instead keep the current fee payment dates in both bands.
- 4.15 In order to implement this:
- a) For **900 and 1800 MHz**:
    - i) we would maintain the fee payment date of **31 October**; and
    - ii) bring in the revised fees from 31 October 2025. These fees would be calculated using CPI from August 2025.
  - b) For **2100 MHz**:
    - i) we would maintain the fee payment date of **4 January**; and
    - ii) bring in the revised fees from **4 January 2026**. These fees would be calculated using CPI from November 2025.
- 4.16 This option would not bring about longer-term administrative simplicity provided by Option 1. However, it would avoid the short-term increase to licensees' cash outflows, and the requirement for two payments on 31 October 2026, described above.

### Our provisional view

- 4.17 Our provisional view is that Option 1 would simplify Ofcom's and licensees' administrative processes in the medium term (i.e. from October 2026), and that the benefits of this outweigh the short-term downsides identified above. In particular, we consider that the one-off increase to licensees' cash outflow in 2026 (c.£7.5m across all four licensees), and requirement for two payments in October, should be manageable, isolated administrative burdens.

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<sup>6</sup> In practice, under the current system, the first instalment payment of the year becomes due on 4 January, but can be paid by licensees until 31 January. Under our proposal, the first instalment would become due on 31 October, and be payable by that date (although we would still invoice it in advance).

- 4.18 Given our provisional preference for Option 1, the draft 2100 MHz Regulations provided at Annex 7 set out how we would implement this option in Regulations. If we were to proceed with Option 2 instead, the 2100 MHz Regulations would simply include an amendment to the fee level and payment by instalment provisions, with the additional provision dealing with the one-off licence charges payment and associated instalment provisions removed.

## Consultation question

**Question 2:** Do you agree with our proposal to align the fee payment date for all the ALF spectrum (i.e. to proceed with 'Option 1' above)? If not, please give reasons.

# 5. Annual liability

## Background

- 5.1 Currently, a licensee becomes liable for a year's worth of ALFs if it holds the relevant spectrum licence on the 'fee payment date', even if it subsequently trades the spectrum in the same payment cycle.
- 5.2 We asked the MNOs whether they would prefer more frequent e.g. monthly accrual of liability for ALFs.

## Summary of MNOs responses

- 5.3 The MNOs gave mixed responses to this question: VMO2 and Vodafone supported more frequent accrual of liability for fees, but BT/EE was happy with annual liability and H3G had no preference.
- 5.4 Both Vodafone and VMO2 noted that annual liability for ALFs is currently a barrier to trading, as Ofcom's Mobile Trading Regulations require all ALFs owed by a licensee to be paid upfront before any trade of spectrum. However, Vodafone noted that this perceived barrier to trading is likely theoretical, and that in practice it is unlikely to be a major issue. Similarly, BT/EE said that this is not a barrier to spectrum trading because it can often be easily solved through a commercial contract.

## Our proposal

- 5.5 We note that only two of the four MNOs supported this proposal (and support from Vodafone was mostly theoretical). We also note that we would not be able to implement this proposal using our existing licensing and invoicing systems, so implementing this would require significant additional administrative burden for Ofcom.
- 5.6 Therefore, our initial view is that the complexity associated with implementing more frequent accrual of liability for fees would not be justified by the benefits, and we are not proposing to implement a change to the accrual of liability for ALFs.

## Consultation question

**Question 3:** Do you agree with our proposal not to move to monthly liability for ALFs? If not, please give reasons.

# 6. Notice of Ofcom's proposal to make 900/1800 MHz regulations

## Notice of proposals

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- 6.1 This notice is given in accordance with section 122(4) and (5) of the Wireless Telegraphy Act 2006 (the “**Wireless Telegraphy Act**”) and covers a proposal to make a statutory instrument.
- 6.2 The proposed statutory instrument set out in Annex 6 sets out how we would give effect to Ofcom's proposal to revise the fees for licences in the 900 MHz and 1800 MHz spectrum licence classes (as set out in our [December 2024 consultation](#)), if our final decisions following the overall consultation process were in line with our current proposals, as well as our proposals to align the fee payment mechanics, as set out in this consultation.

## Proposed regulations

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- 6.3 Ofcom has the power under section 12 and 122(7) of the Wireless Telegraphy Act to make regulations to prescribe sums payable in respect of wireless telegraphy licences.
- 6.4 Ofcom proposes to make regulations to prescribe the sums payable in respect of licences for the use of 900 MHz and 1800 MHz spectrum.
- 6.5 A draft of the proposed regulations is set out in Annex 6 and their general effect is set out in this Annex.
- 6.6 Hard copies of this notice and the proposed regulations can be obtained from:  
ALF Review Team  
Ofcom  
Riverside House,  
2A Southwark Bridge Road,  
London SE1 9HA  
Email: [ALF.Review@ofcom.org.uk](mailto:ALF.Review@ofcom.org.uk)
- 6.7 Comments or representations with respect to the proposed regulations are invited by 5pm on 11 April 2025. Comments should be sent to the contact named above at the above address.
- 6.8 Following completion of the overall consultation process, Ofcom intends to make the final regulations as soon as practicable.

# General effect of the proposed Wireless Telegraphy (Licence Charges for the 900 MHz frequency band and the 1800 MHz frequency band) Regulations 2025

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## The legislative framework

- 6.9 Ofcom sets the sums payable in respect of wireless telegraphy licences by way of regulations made under section 12 of the Wireless Telegraphy Act. When doing so, Ofcom must comply with section 122 of the Wireless Telegraphy Act, which is a general provision about matters relating to Ofcom’s power to make statutory instruments, including fees regulations under section 12 of the Wireless Telegraphy Act. This provision includes a requirement that, where we are proposing to make regulations, we must publish a notice setting out the general effect of the regulations and give a period of at least one month within which representations on the proposed regulations may be made to us. Section 122(7) of the Wireless Telegraphy Act enables Ofcom to make different provisions for different cases and to make incidental provisions.
- 6.10 The 900 MHz spectrum was awarded by administrative allocation in 1985 and the 1800 MHz spectrum was awarded using the same approach in 1991. The Mobile Network Operators (the “**MNOs**”) use 900 MHz and 1800 MHz spectrum to provide mobile voice and data services, using a mix of 2G, 3G and 4G technologies. We last set the fees for the 900 MHz and 1800 MHz bands in December 2018.
- 6.11 In accordance with section 12(5) of the Wireless Telegraphy Act, no annual licence fees were initially payable in respect of that licence class. However, on 23 December 2010, the Secretary of State made directions pursuant to section 5 of the Wireless Telegraphy Act, which (among other things) required Ofcom to prescribe the sums by regulations which are required under section 12 of the Wireless Telegraphy Act for the 900 MHz and 1800 MHz frequency bands, so that they reflect the full market value of the frequencies in that band.
- 6.12 Ofcom set the most current fees for 900 MHz and 1800 MHz in 2018 under the Wireless Telegraphy (Licence Charges for the 900 MHz Frequency Band and the 1800 MHz Frequency Band) Regulations 2018.
- 6.13 In July 2024, we announced our decision to review these fees. We are consulting on proposals for new annual fees for the 900 MHz and 1800 MHz licence classes in our December 2024 consultation.
- 6.14 Ofcom is now giving notice of its proposal to make the Wireless Telegraphy (Licence Charges for the 900 MHz Frequency Band and the 1800 MHz Frequency Band) Regulations 2025 (the “**Proposed Regulations**”), which would give effect to Ofcom’s proposal set out in the December 2024 consultation and this consultation.

## The general effect of the Proposed Regulations

- 6.15 The Proposed Regulations revoke the Wireless Telegraphy (Licence Charges for the 900 MHz Frequency Band and the 1800 MHz Frequency Band) Regulations 2018 and will set out the new annual licence fees for the use of 900MHz and 1800 MHz spectrum frequency bands.

## **Extent of application and entry into force of the Proposed Regulations (reg.1)**

- 6.16 The Proposed Regulations will apply in the United Kingdom, but would not extend to the Channel Islands or to the Isle of Man.
- 6.17 The Proposed Regulations will come into force as soon as practical after making. The final regulations will be made after Ofcom has concluded its consultation process on the fees and made final decisions as to the level of fees payable.

## **Interpretation (reg.2)**

- 6.18 Regulation 2 defines the meaning of a number of terms which are relevant to understand the other provisions in the Proposed Regulations.
- 6.19 In particular, the definitions of ‘900 MHz frequency band’ and ‘1800 MHz frequency band’ are relevant to define the scope of the Proposed Regulations.

## **The fee payable for the 900 MHz spectrum on each payment date (reg.3)**

- 6.20 Regulation 3 prescribes the fees payable by the holder of licence authorising the use of frequencies in the 900 MHz frequency band on 31 October 2025 and on each anniversary of that date.
- 6.21 As explained in this consultation, we propose that these fees would be derived by means of the formula set out in regulation 4(2), which adjusts the “base level” of annual licence fee by inflation. The “base level” of ALF reflects Ofcom’s estimate of the market value of 900 MHz spectrum which will be decided in its final statement and expressed in September 2024 prices.
- 6.22 According to the formula specified in regulation 3, the fee payable on 31 October 2025, and on each anniversary of that date, will incorporate an annual licence fee in line with inflation, as measured by the CPI (all items) index. The relevant figures for CPI will be published by the Office for National Statistics.
- 6.23 In particular, we propose that the base level of the ALF would be multiplied by the ratio between:
- a) the latest available figure (as at 30 September prior to the month in which the fees are due) for the CPI index; and
  - b) the corresponding inflation index related to September 2024 (which, as at the date of this notice, is 134.2).
- 6.25 This mechanism for the inflation adjustment should give sufficient time to allow Ofcom to notify licensees of the sum due approximately one month before the payment date.
- 6.26 The Proposed Regulations will specify the base level of ALF for 900 MHz spectrum as decided by Ofcom in its final statement in light of stakeholders’ responses. For the purpose of the Proposed Regulations, this is equal to Ofcom’s proposal of setting such base level at £1,097 per kHz. This translates to setting the base level at £1,097,000 per MHz.

## **The fee payable for the 1800 MHz spectrum on each payment date (reg.4)**

- 6.28 Regulation 4 prescribes the fees payable by the holder of licence authorising the use of frequencies in the 1800 MHz frequency band on 31<sup>st</sup> October 2025 and on each anniversary on that date.
- 6.24 As explained in this consultation, we propose that these fees will be derived by means of the formula set out in regulation 6(2), which adjusts the “base level” of annual licence fee

by inflation. The “base level” of ALF reflects Ofcom’s estimate of the market value of 1800 MHz spectrum which will be decided in its final statement and expressed in September 2024 prices.

- 6.30 According to the formula specified in regulation 4, the fee payable on 31 October 2025 and on each anniversary on that date will incorporate an annual licence fee in line with inflation, as measured by the CPI (all items) index. The relevant figures for CPI will be published by the Office for National Statistics.
- 6.31 In particular, we propose that the base level of the ALF would be multiplied by the ratio between:
- a) the latest available figure (as at 30 September prior to the month in which the fees are due) for the CPI index; and
  - b) the corresponding inflation index related to September 2024 (which, as at the date of this notice, is 134.2).
- 6.32 This mechanism for the inflation adjustment should give sufficient time to allow Ofcom to notify licensees of the sum due approximately one month before the payment date.
- 6.33 The Proposed Regulations will specify the base level of ALF for 1800 MHz spectrum as decided by Ofcom in its final statement in light of stakeholders’ responses. For the purpose of the Proposed Regulations, this is equal to Ofcom’s proposal of setting such base level at £810 per kHz. This translates to setting the base level at £810,000 per MHz.

#### **Payment by instalments for the 900 MHz and 1800 MHz spectrum (reg.5)**

- 6.34 Regulation 5 prescribes the dates of the twelve payment instalments. As explained in this consultation, we propose that the first 11 instalments will equate to 1/12th of the total annual sum payable, rounded down to the nearest pound, and that the 12th instalment will be the remainder of the total annual sum payable.

#### **Concurrent licences (reg.6)**

- 6.35 Where a licence is held concurrently by two or more persons, then any references in the Proposed Regulations to the “holders of a licence” shall be to all the concurrent holders of the licence. This means that:
- a) any sum payable under the Regulations by the holder of a licence shall, in the case of a concurrent licence, be a sum for which both licence holders are jointly and severally liable; and
  - b) any notice required to be given under the Proposed Regulations by the holder of a licence may, in the case of a concurrent licence, be given by any of the licence holders and shall be deemed to have been given for and on behalf of them all.

#### **Revocation and transition provision (reg.7)**

- 6.25 Regulation 7 revokes the Wireless Telegraphy (Licence Charges for the 900 MHz Frequency Band and the 1800 MHz Frequency Band) Regulations 2018 which currently set fees for the use of 900MHz and 1800 MHz spectrum frequency bands.
- 6.26 It also provides that where there are any payable fees to Ofcom under the Wireless Telegraphy (Licence Charges for the 900 MHz Frequency Band and the 1800 MHz Frequency Band) Regulations 2018 outstanding, these remain payable as if they are payable under the new regulations.



# 7. Notice of Ofcom's proposal to make 2100 MHz regulations

## Notice of proposals

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- 7.1 This notice is given in accordance with section 122(4) and (5) of the Wireless Telegraphy Act and covers a proposal to make a statutory instrument.
- 7.2 The proposed statutory instrument set out in Annex 7 sets out how we would give effect to Ofcom's proposal to revise the fees for licences in the Spectrum Access 2100 MHz licence class (as set out in this consultation document), if our final decisions following the overall consultation process were in line with our current proposals.
- 7.3 The Spectrum Access 2100 MHz licence class authorises use of the following radio frequencies:
- a) 1899.9 MHz to 1920.0 MHz ("**unpaired 2100 MHz**"); and
  - b) 1920.0 MHz to 1979.7 MHz and 2110.3 MHz to 2169.7 MHz ("**paired 2100 MHz**").

## Proposed regulations

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- 7.4 Ofcom has the power under section 12 and 122(7) of the Wireless Telegraphy Act to make regulations to prescribe sums payable in respect of wireless telegraphy licences.
- 7.5 Ofcom proposes to make regulations to prescribe the sums payable in respect of licences for the use of paired 2100 MHz spectrum. Ofcom is not proposing to set fees for the use of unpaired 2100 MHz spectrum.
- 7.6 A draft of the proposed regulations is set out in Annex 7 and their general effect is set out in this Annex.
- 7.7 Hard copies of this notice and the proposed regulations can be obtained from:
- ALF Review Team  
Ofcom  
Riverside House,  
2A Southwark Bridge Road,  
London SE1 9HA  
Email: [ALF.Review@ofcom.org.uk](mailto:ALF.Review@ofcom.org.uk)
- 7.8 Comments or representations with respect to the proposed regulations are invited by 5pm on 11 April 2025. Comments should be sent to the contact named above at the above address.
- 7.9 Following completion of the overall consultation process, Ofcom intends to make the final regulations as soon as practicable.

# General effect of the proposed Wireless Telegraphy (Licence Charges for the 2100 MHz frequency band) Regulations 2025

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## The legislative framework

- 7.10 Ofcom sets the sums payable in respect of wireless telegraphy licences by way of regulations made under section 12 of the Wireless Telegraphy Act. When doing so, Ofcom must comply with section 122 of the Wireless Telegraphy Act, which is a general provision about matters relating to Ofcom’s power to make statutory instruments, including fees regulations under section 12 of the Wireless Telegraphy Act. This provision includes a requirement that, where we are proposing to make regulations, we must publish a notice setting out the general effect of the regulations and give a period of at least one month within which representations on the proposed regulations may be made to us. Section 122(7) of the Wireless Telegraphy Act enables Ofcom to make different provisions for different cases and to make incidental provisions.
- 7.11 In 2000, following an auction process, Ofcom awarded national licences for use of the paired and unpaired 2100 MHz spectrum. In accordance with section 12(5) of the Wireless Telegraphy Act, no annual licence fees were initially payable in respect of that licence class. However, on 20 December 2010, the Secretary of State made directions pursuant to section 5 of the Wireless Telegraphy Act, which (among other things) require Ofcom to prescribe the sums by regulations which are required under section 12 of the Wireless Telegraphy Act for the 2100 MHz frequency band, after 31 December 2021, so that they reflect the full market value of the frequencies in that band.
- 7.12 Ofcom set the fees for the 2100 MHz licence class in 2021 under the Wireless Telegraphy (Licence Charges for the 2100 MHz frequency band) Regulations 2021.
- 7.13 In July 2024, we announced our decision to review these fees. We consulted on proposals in our December 2024 Consultation for new annual fees for the paired 2100 MHz licence class.
- 7.14 Ofcom is now giving notice of its proposed Wireless Telegraphy (Licence Charges for the 2100 MHz Frequency Band) Regulations 2025 (the “**Proposed 2100 MHz Regulations**”), which would give effect to Ofcom’s proposal to set out in this consultation and the December 2024 consultation.

## The general effect of the Proposed 2100 MHz Regulations

- 7.15 The Proposed 2100 MHz Regulations revoke the Wireless Telegraphy (Licence Charges for the 2100 MHz Frequency Band) Regulations 2021 and the Proposed 2100 MHz Regulations will set out the new annual licence fees for the paired 2100 MHz frequency bands.

## Extent of application and entry into force of the Proposed 2100 MHz Regulations (reg.1)

- 7.16 The Proposed 2100 MHz Regulations will apply in the United Kingdom, but would not extend to the Channel Islands or to the Isle of Man.
- 7.17 The Proposed 2100 MHz Regulations will come into force as soon as practical after making. The final regulations will be made after Ofcom has concluded its consultation process on the fees and made final decisions as to the level of fees payable.

## Interpretation (reg.2)

- 7.18 Regulation 2 defines the meaning of a number of terms which are relevant to understand the other provisions in the Proposed 2100 MHz Regulations.
- 7.19 In particular, the definition of “2100 MHz paired frequency band” is relevant to define the scope of the Proposed 2100 MHz Regulations.

## The one-off licence fee payable for the 2100 MHz paired spectrum on each payment date (reg.3)

- 7.20 Regulation 3 prescribes the fees payable by the holder of licence authorising the use of frequencies in the 2100 MHz frequency band on 4 January 2026 following the payment instalments dates contained in Regulation 4.

### Calculation of 2100 MHz fee for the period January – October 2026

- 7.21 As set out in section 3 above, we are proposing to align the fee payment date for 2100 MHz with the fee payment date for 900 MHz and 1800 MHz, that is moving the 2100 MHz fee payment date from 4 January to 31 October.
- 7.22 Below, we explain how we propose to calculate the per kHz fee that the licensees will be required to pay for the period January – October 2026, that is the amount that will be stated in regulation 3(2) of the proposed 2100 MHz Regulations.
- 7.23 The fee per kHz, £X, to be stated in regulation 4(2) will be calculated as follows:
- $$\text{£X} = \text{£Y} \times [\text{CPI}_t / \text{CPI}_0] \times 303/365$$
- Where –
- “£X” means the fee per kHz which will be stated in regulation 3(2)
  - “£Y” is the ALF per kHz for 2100 MHz expressed in September 2024 prices. Based on the December 2024 consultation proposals, this value would be £766.
  - “CPI” means the number given in respect of that month in the monthly all items consumer prices index published by the Office for National Statistics;
  - “CPI<sub>t</sub>” means the most recent CPI value that was available on the 30 September 2025; and
  - “CPI<sub>0</sub>” means the CPI value for September 2024.
- 7.24 The “303/365” pro-rata’s that annual fee for the number of days (inclusive) between 1 January 2026<sup>7</sup> and 30 October 2026.

## Payment by instalment of one-off licence charges (reg. 4)

- 7.25 Regulation 4 prescribes the dates of the ten payment instalments. As explained in this consultation, we would pro-rata the revised ALFs from 1 January – 30 October 2026 so that 2100 MHz licensees would pay the first 10 months’ worth of fees in 10 instalments over this period.

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<sup>7</sup> The current 2100 MHz fees cover the period 1 January – 31 December. As set out in our [2100 MHz Statement](#) (paragraph 2.8) we decided to set the date for payment of the ALF from 4 January 2021 because 1 January was a bank holiday throughout the United Kingdom.

## **The licence fee payable for the 2100 MHz paired spectrum on each payment date (reg.5)**

- 7.26 Regulation 6 prescribes the fees payable by the holder of licence authorising the use of frequencies in the 2100 MHz frequency band on 31 October 2026 and on each anniversary of that date.
- 7.27 As explained in this consultation, we propose that these fees will be derived by means of the formula set out in regulation 5(2), which adjusts the “base level” of annual licence fee by inflation. The “base level” of ALF reflects Ofcom’s estimate of the market value of 2100 MHz spectrum as decided in its final statement and expressed in September 2024 prices.
- 7.28 According to the formula specified in regulation 5, the fee payable on 31 October 2026 and on each anniversary following that date will incorporate an annual licence fee in line with inflation, as measured by the CPI (all items) index. The relevant figures for CPI will be published by the Office for National Statistics.
- 7.29 In particular, we propose that the base level of the ALF would be multiplied by the ratio between:
- a) the most recent CPI value that was available on the 30 September prior to the month in which charges are due; and
  - b) the corresponding CPI value for September 2024 (which, as at the date of this notice, is 134.2).
- 7.30 This mechanism for the inflation adjustment should give sufficient time to allow Ofcom to notify licensees of the sum due approximately one month before the payment date.
- 7.31 The Proposed 2100 MHz Regulations will specify the base level of ALF for 2100 MHz spectrum as decided by Ofcom in its final statement in light of stakeholders’ responses. For the purpose of the Proposed 2100 MHz Regulations, this is equal to Ofcom’s proposal of setting such base level at £766 per kHz. This translates to setting the base level at £766,000 per MHz.

## **Payment by instalments (reg.6)**

- 7.32 Regulation 6 prescribes the dates of the twelve payment instalments. As explained in this consultation, we propose that the first 11 instalments will equate to 1/12th of the total annual sum payable, rounded down to the nearest pound, and that the 12th instalment will be the remainder of the total annual sum payable.

## **Concurrent licences (reg.7)**

- 7.33 Where a licence is held concurrently by two or more persons, then any references in the Proposed 2100 MHz Regulations to the “holders of a licence” shall be to all the concurrent holders of the licence. This means that:
- a) any sum payable under the Regulations by the holder of a licence shall, in the case of a concurrent licence, be a sum for which both licence holders are jointly and severally liable; and
  - b) any notice required to be given under the Proposed Regulations by the holder of a licence may, in the case of a concurrent licence, be given by any of the licence holders and shall be deemed to have been given for and on behalf of them all.

### **Revocation and transition provisions (reg.8)**

- 7.34 Regulation 8 revokes the Wireless Telegraphy (Licence Charges for the 2100 MHz Frequency Band) Regulations 2021 which currently set fees for the use of 2100 MHz paired spectrum frequency band.
- 7.35 It also provides that where there are any payable fees to Ofcom under the Wireless Telegraphy (Licence Charges for the 2100 MHz Frequency Band) Regulations 2021 outstanding, these remain payable as if they are payable under the new regulations.

# A1. Responding to this consultation

## How to respond

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- A1.1 Ofcom would like to receive views and comments on the issues raised in this document, by 5pm on 11 April 2025.
- A1.2 You can download a response form from <https://www.ofcom.org.uk/spectrum/innovative-use-of-spectrum/consultation-review-of-annual-licence-fees/>. You can return this by email or post to the address provided in the response form.
- A1.3 If your response is a large file, or has supporting charts, tables or other data, please email it to [ALF.Review@ofcom.org.uk](mailto:ALF.Review@ofcom.org.uk), as an attachment in Microsoft Word format, together with the cover sheet.
- A1.4 Responses may alternatively be posted to the address below, marked with the title of the consultation:
- ALF Review Team  
Ofcom  
Riverside House  
2A Southwark Bridge Road  
London SE1 9HA
- A1.5 We welcome responses in formats other than print, for example an audio recording or a British Sign Language video. To respond in BSL:
- > send us a recording of you signing your response. This should be no longer than 5 minutes. Suitable file formats are DVDs, wmv or QuickTime files; or
  - > upload a video of you signing your response directly to YouTube (or another hosting site) and send us the link.
- A1.6 We will publish a transcript of any audio or video responses we receive (unless your response is confidential)
- A1.7 We do not need a paper copy of your response as well as an electronic version. We will acknowledge receipt of a response submitted to us by email.
- A1.8 You do not have to answer all the questions in the consultation if you do not have a view; a short response on just one point is fine. We also welcome joint responses.
- A1.9 It would be helpful if your response could include direct answers to the questions asked in the consultation document. The questions are listed at Annex X. It would also help if you could explain why you hold your views, and what you think the effect of Ofcom's proposals would be.
- A1.10 If you want to discuss the issues and questions raised in this consultation, please email [ALF.Review@Ofcom.org.uk](mailto:ALF.Review@Ofcom.org.uk).

## Confidentiality

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- A1.11 Consultations are more effective if we publish the responses before the consultation period closes. This can help people and organisations with limited resources or familiarity with the issues to respond in a more informed way. So, in the interests of transparency and good regulatory practice, and because we believe it is important that everyone who is interested in an issue can see other respondents' views, we usually publish responses on the Ofcom website at regular intervals during and after the consultation period.
- A1.12 If you think your response should be kept confidential, please specify which part(s) this applies to and explain why. Please send any confidential sections as a separate annex. If you want your name, address, other contact details or job title to remain confidential, please provide them only in the cover sheet, so that we don't have to edit your response.
- A1.13 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and try to respect it. But sometimes we will need to publish all responses, including those that are marked as confidential, in order to meet legal obligations.
- A1.14 To fulfil our pre-disclosure duty, we may share a copy of your response with the relevant government department before we publish it on our website.
- A1.15 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's intellectual property rights are explained further in our Terms of Use.

## Next steps

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- A1.16 Following this consultation period, Ofcom plans to publish a statement in Q2 FY 2025/6.
- A1.17 If you wish, you can register to receive mail updates alerting you to new Ofcom publications.

## Ofcom's consultation processes

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- A1.18 Ofcom aims to make responding to a consultation as easy as possible. For more information, please see our consultation principles in Annex x.
- A1.19 If you have any comments or suggestions on how we manage our consultations, please email us at [consult@ofcom.org.uk](mailto:consult@ofcom.org.uk). We particularly welcome ideas on how Ofcom could more effectively seek the views of groups or individuals, such as small businesses and residential consumers, who are less likely to give their opinions through a formal consultation.
- A1.20 If you would like to discuss these issues, or Ofcom's consultation processes more generally, please contact the corporation secretary:

Corporation Secretary  
Ofcom  
Riverside House  
2a Southwark Bridge Road  
London SE1 9HA  
Email: [corporationsecretary@ofcom.org.uk](mailto:corporationsecretary@ofcom.org.uk)

# A2. Ofcom's consultation principles

Ofcom has seven principles that it follows for every public written consultation:

## Before the consultation

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- A2.1 Wherever possible, we will hold informal talks with people and organisations before announcing a big consultation, to find out whether we are thinking along the right lines. If we do not have enough time to do this, we will hold an open meeting to explain our proposals, shortly after announcing the consultation.

## During the consultation

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- A2.2 We will be clear about whom we are consulting, why, on what questions and for how long.
- A2.3 We will make the consultation document as short and simple as possible, with an overview of no more than two pages. We will try to make it as easy as possible for people to give us a written response.
- A2.4 When setting the length of the consultation period, we will consider the nature of our proposals and their potential impact. We will always make clear the closing date for responses.
- A2.5 A person within Ofcom will be in charge of making sure we follow our own guidelines and aim to reach the largest possible number of people and organisations who may be interested in the outcome of our decisions. Ofcom's Consultation Champion is the main person to contact if you have views on the way we run our consultations.
- A2.6 If we are not able to follow any of these principles, we will explain why.

## After the consultation

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- A2.7 We think it is important that everyone who is interested in an issue can see other people's views, so we usually publish the responses on our website at regular intervals during and after the consultation period. After the consultation we will make our decisions and publish a statement explaining what we are going to do, and why, showing how respondents' views helped to shape these decisions.



# A3. Consultation coversheet

## Basic details

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Consultation title:

To (Ofcom contact):

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

## Confidentiality

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

- > Nothing
- > Name/contact details/job title
- > Whole response
- > Organisation
- > Part of the response

If you selected 'Part of the response', please specify which parts:

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

Yes       No

## Declaration

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

Ofcom aims to publish responses at regular intervals during and after the consultation period. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

Name

Signed (if hard copy)

# A4. Consultation questions

Please tell us how you came across this consultation.

- Email from Ofcom
- Saw it on social media
- Found it on Ofcom's website
- Found it on another website
- Heard about it on TV or radio
- Read about it in a newspaper or magazine
- Heard about it at an event
- Somebody told me or shared it with me
- Other (please specify)

**Question 1:** Do you agree with our proposal to permit licensees to pay ALFs in 12 monthly instalments? If not, please give reasons.

**Question 2:** Do you agree with our proposal to align the fee payment date for all the ALF spectrum (i.e. to proceed with 'Option 1' above)? If not, please give reasons.

**Question 3:** Do you agree with our proposal not to move to monthly liability for ALFs? If not, please give reasons.

**Question 4:** Do you have any other comments relating to this consultation? Please provide evidence in support of your views.

# A5. Legal Framework

## Communications Act 2003

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- A5.1 Ofcom’s statutory powers and duties in relation to spectrum management are set out primarily in the Communications Act 2003 (the “Communications Act”) and the Wireless Telegraphy Act.
- A5.2 Our principal duty under section 3 of the Communications Act 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 doing so, we are also required (among other things) to secure the optimal use of spectrum and the availability throughout the United Kingdom of a wide range of electronic communications services.
- A5.3 [Section 4](#) of the Communications Act requires Ofcom to act in accordance with six requirements when carrying out certain specified functions, including our functions under the Wireless Telegraphy Act. These include a requirement to promote competition in relation to the provision of electronic communications networks and electronic communications services, and to take account of the desirability of carrying out its functions in a manner which, so far as practicable, does not favour one form of electronic communications network, electronic communications service or associated facility, or one means of providing these, over another.

## Wireless Telegraphy Act 2006

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- A5.4 We permit the use of the radio spectrum by granting wireless telegraphy licences under the Wireless Telegraphy Act. It is unlawful and an offence to install or use wireless telegraphy apparatus without holding a licence granted by Ofcom, unless the use of such equipment is exempted.
- A5.5 In carrying out our spectrum functions we have a duty under section 3 of the Wireless Telegraphy Act to have regard in particular to:
- a) the extent to which the spectrum is available for use, or further use, for wireless telegraphy;
  - b) the demand for use of that spectrum for wireless telegraphy; and
  - c) the demand that is likely to arise in future for such use.
- A5.6 We also have a duty to have regard to the desirability of promoting:
- a) the efficient management and use of the spectrum for wireless telegraphy;
  - b) the economic and other benefits that may arise from the use of wireless telegraphy;
  - c) the development of innovative services; and
  - d) competition in the provision of electronic communications services.

## Ofcom’s powers regarding fees

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- A5.7 Under Section 12 of the Wireless Telegraphy Act, Ofcom has power to require licensees to pay fees to Ofcom on the grant of a licence and subsequently. The requirement to pay fees at times after the grant of a licence must be imposed by way of regulations made by Ofcom. The timing of the fee payment must be set out in the regulations, and the amount

of the fee can be prescribed in the regulations, or alternatively the regulations may provide for the amount to be determined by Ofcom in accordance with the regulations.

- A5.8 Section 12(5) of the Wireless Telegraphy Act provides that, where a licence has been awarded as part of an auction process, subsequent fees cannot ordinarily be charged for that licence. This is however subject to section 12(6) of the Wireless Telegraphy Act which provides that fees may be payable for auctioned spectrum in specific circumstances. This includes where provision has been included in the licence with the consent of the holder of that licence for subsequent fees to apply.
- A5.9 Where Ofcom prescribe sums payable in respect of wireless telegraphy licences under section 12, under section 13(2) Ofcom may if it thinks fit in the light (in particular) of the matters to which they must have regard under section 3, prescribe sums greater than those necessary to recover costs incurred by them in connection with their radio spectrum functions.
- A5.10 Section 122 of the Wireless Telegraphy Act is a general provision about matters relating to Ofcom’s powers to make statutory instruments (including fees regulations under section 12 of that Act). It includes a requirement that where we are proposing to make regulations, we must publish a notice setting out the general effect of the regulations and give a period of at least one month within which representations on the proposed regulations may be made to us.

## UK Government’s Statement of Strategic Priorities

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- A5.11 Under section 2B(2) of the Communications Act, when exercising our functions relating to telecoms, management of radio spectrum and postal services, we are required to have regard to the UK Government’s Statement of Strategic Priorities (SSP). The SSP for telecommunications, the management of radio spectrum, and postal services was designated on 29 October 2019, having been laid in draft before Parliament on 18 July 2019. We set out in our December 2024 consultation further details of how we have done this.

## The desirability of promoting economic growth

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- A5.12 In exercising our regulatory functions, we are also required to have regard to the desirability of promoting economic growth (the “growth duty”).<sup>8</sup> In particular, we must consider the importance for the promotion of economic growth of exercising the regulatory function in a way which ensures that regulatory action is taken only when it is needed, and any action taken is proportionate. Section 110(3) of the Deregulation Act 2015 requires us to have regard to the “Growth Duty: Statutory Guidance” (revised by Government in May 2024).

## Impact assessment

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- A5.13 We considered the impact of our fee proposals in our December 2024 Consultation and set out our provisional view that our they would secure and further the performance of our

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<sup>8</sup> Section 108 of the Deregulation Act 2015, which was extended to Ofcom’s regulatory functions by The Economic Growth (Regulatory Functions) (Amendment) Order 2024.

general duties, and that our proposals could be expected to have a positive impact on economic growth.

- A5.14 In this consultation, we are consulting on the practical implementation of those fee proposals, and the proposed draft regulations to give them effect.
- A5.15 Given the nature of the proposals in this consultation, we do not consider that they will have a significant impact on mobile network operators, or consumers and citizens:
- a) As set out in section 3, we provisionally consider that allowing licensees to pay in twelve, rather than ten, monthly instalments will reduce administrative burdens for licensees.
  - b) As set out in section 4, we provisionally consider that aligning the 2100 MHz fee payment date with the 900 MHz and 1800 MHz fee payment date would simplify Ofcom's and licensees' administrative processes in the medium term (i.e. from October 2026), and that the benefits of this outweigh the short term downsides arising from the licensees having to make an additional instalment payment in the 2026 calendar year.
- A5.16 We have not identified any further material impacts of our proposed approach which are additional to those set out in our December 2024 Consultation and we do not consider that the impacts set out above change the view previously set out, but welcome views.
- A5.17 For the reasons set out in our December 2024 Consultation, we consider that the proposals set out in this document are likely to continue to support the UK Government's [Statement of Strategic Priorities](#).

## Equality Impact Assessment

- A5.18 In the December 2024 Consultation, we considered<sup>9</sup> whether our fee proposals would have a particular impact on persons sharing protected characteristics<sup>10</sup> and in particular whether they may discriminate against such persons or impact on equality of opportunity or good relations. This assessment helps us comply with our duties under the Equality Act 2010 and the [Northern Ireland Act 1998](#). We also had regard to the matters in section 3(4) of the Communications Act.
- A5.19 Our provisional view was that our proposals would not affect any specific groups of persons (including persons that share protected characteristics under the 2010 Act or the 1998 Act) differently to the general population.
- A5.20 We have considered whether the implementation of our fee proposals and draft regulations would cause us to change our view on these matters and our provisional view is that they would not.

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<sup>10</sup> including race, age, disability, sex, sexual orientation, gender reassignment, pregnancy and maternity, marriage and civil partnership and religion or belief in the UK and also dependents and political opinion in Northern Ireland.

## Welsh language impact assessment

- A5.21 Ofcom is required to take Welsh language considerations into account when formulating, reviewing or revising policies which are relevant to Wales (including proposals which are not targeted at Wales specifically but are of interest across the UK).<sup>11</sup>
- A5.22 In our December 2024 Consultation, we set out our view that our fee proposals would not have any impact on opportunities for persons to use the Welsh language or treat the Welsh language less favourably than the English language. We also did not think there are ways in which our proposals could have been formulated so as to have, or increase, a positive impact, or not have adverse effects or decrease any adverse effects.
- A5.23 Our proposals on the implementation of our fee proposals and draft regulations do not change our view on this.

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<sup>11</sup> See Standards 84-89 of Hysbysiad cydymffurfio (in Welsh) and compliance notice in English. Section 7 of the Welsh Language Commissioner's Good Practice Advice Document provides further advice and information.