

Office of the Adjudicator – Broadcast Transmission Services

Report for the period:

1 October 2025 – 31 December 2025

An explanation of the background to the Undertakings, the Office of the Adjudicator Broadcast Transmission Services (OTA-BTS) and the role of Transmission Adjudicator can be found in the Appendix at the end of this report.

1 Key Events in the Quarter & Stakeholder Meetings

1.1 Regulatory Accounts

As stakeholders are already aware, on 28 October 2025 Arqiva published its Regulatory Accounts for the year from 1 July 2024 to 30 June 2025.

These accounts and the sister document detailing the Regulatory Accounting Principles and Methodologies can be found on Arqiva's website at arqiva.com (scroll to the bottom of the home page, click on "Documentation", then click on "Regulatory" and then find the relevant year for both documents).

As noted in the last two Quarterly Reports, the Adjudicator sought during the year to agree with Arqiva the best way to provide some additional commentary or a set of answers to stakeholder questions arising from the Regulatory Accounts. These discussions followed on from the publication on 10 March 2025 of the Adjudicator's report on Consultation 2/2024 (Consultation on Arqiva's Regulatory Accounts). The report can be found at <https://ota-bts.org.uk/wp-content/uploads/2025/03/OTA-BTS-Report-2-2024-redo.pdf>.

Following these discussions, Arqiva included "Notes to the Regulatory Accounts" on pages 15 to 17 in the Regulatory Accounts. The Adjudicator considered that these notes could be amended and expanded so as to increase their usefulness to stakeholders.

The Adjudicator therefore engaged with Arqiva to assess whether further information could be published, including in the context of the approach that the Adjudicator understood Arqiva to be taking in publishing materials for the benefit of other stakeholders.

The Adjudicator noted that shortly after the publication of the Arqiva Group Accounts, a briefing call was held for investors. In parallel, a presentation was published on Arqiva's website in the section About / Financial Reporting / Credit Investors.

<https://www.arqiva.com/credit-investors-reports/2025/Annual-Investor-Presentation/FY25%20Investor%20Presentation%20vF.pdf>

The Adjudicator explained to Arqiva that he had hoped the company would have been able to provide comparable information linked to publication of the Regulatory Accounts, addressing issues which would be of particular interest to its Broadcast Transmission customers.

In November and December, the Adjudicator and his team therefore contacted a range of stakeholders and drew up a list of questions on the Regulatory Accounts. On 5 December 2025, the list was submitted to Arqiva with a requirement to provide answers by a deadline set by the Adjudicator.

Outside the period being reported on, the Adjudicator met with Arqiva twice and the answers the company was drafting were discussed. The Adjudicator regards those discussions as useful. On 9 February 2026, within the deadline, Arqiva submitted its answers. The questions and Arqiva's answers are published on the OTA-BTS website in the Links & Documents section at <https://ota-bts.org.uk/wp-content/uploads/2026/03/Regulatory-Accounts-FY25-Stakeholder-Questions-Arqiva-Response-09-02-26.pdf>.

NB Questions 1 – 9 relate to the table on page 9 of the Regulatory Accounts for Arqiva's financial year from 1 July 2024 to 30 June 2025.

1.2 Work by Economic Consultants NERA

As previously reported, the economic consultancy NERA has been appointed to review in detail the cost and pricing models Arqiva uses to generate Reference Offers and assess them against the requirements of the Undertakings and current Guidance.

The consultants are also analysing Arqiva's profitability. In that part of its work, NERA will look at profitability both:

- against how Arqiva's assets for Broadcast Transmission Services are valued when regulated prices are calculated (the Regulated Asset Base); and
- the alternative valuation method used in the accounts of Arqiva Group Limited (from which the valuation of the Regulated Fixed Asset Register, currently included in the Regulatory Accounts, is derived).

The emerging findings of this work will be discussed with Arqiva, and its comments will be taken into account.

NERA has also provided advice related to Arqiva's Regulatory Accounts.

This work started in July 2025 and the project is likely to run until the end of March 2026.

NERA has been given access to Arqiva's models and the people within Arqiva who are responsible for generating Reference Offer prices. There are three separate models or processes used to generate Reference Offers:

- The Radio Cost and Pricing Model
- The TV Cost and Pricing Model

- The Radio Rate Card

The consultants have sought additional information better to understand some of the financial inputs to the models.

The consultants have also analysed whether changes to some inputs – e.g. asset lives and depreciation, the Weighted Average Cost of Capital (WACC) and apportioned operating costs (OPEX) – have material implications on prices generated by the models.

Stakeholders who wish to discuss NERA's work in more detail should contact the Adjudicator.

It is the intention to publish much of the results of NERA's work (having considered the Undertakings, including what they say about both commercial confidentiality and transparency).

- Summary of NERA's overall findings and the Adjudicator's conclusions
- Explanation of how regulated prices are calculated
- Assessment of compliance with the Undertakings and current guidance
- Potential updating of guidance or the format of the Regulatory Accounts.

It is possible that NERA's work will raise the need either to review some existing guidance or to issue guidance about other matters falling within the scope of the Adjudicator's functions. It may also identify further, related work for the Adjudicator to consider.

1.3 Workplan Consultation

In the autumn, the Adjudicator held a consultation on a draft workplan for the year from 1 April 2026 to 31 March 2027. The consultation document (Consultation 3/2025: Workplan for 2026/27) can be found at <https://ota-bts.org.uk/wp-content/uploads/2025/09/Consultation-3-2025-Final-3.pdf>

The Adjudicator is grateful to the ten stakeholders who submitted responses.

As set out in the Undertakings, Ofcom sets the annual budget for OTA-BTS. The workplan consultation and stakeholder responses formed the basis of the Adjudicator's discussions with Ofcom about the budget for the coming year.

Outside the period being reported on, Ofcom launched its consultation of the draft budget it was considering.

1.4 Electricity Charging & Reviews of Sample Reference Offers

As part of his consultancy work, Simon Mason is continuing to review offers made by Arqiva for renewals and new services. Stakeholders should be aware that Simon looks at a confidential sample of offers (i.e. not every offer is reviewed).

Given the Adjudicator's continuing discussions with Arqiva about pass-through costs and billing for electricity, particular attention is given to this aspect of offers which Simon reviews.

1.5 Meetings with Stakeholders

During this period the Transmission Adjudicator, Glyn Jones, and his team held meetings either face-to-face or via video conference using Teams with:

Arqiva	Bauer Media	BBC
Communicorp	Comux	D3&4
Folder Media	News UK	Ofcom
PwC		

In addition, Simon Mason and the Adjudicator attended Radio TechCon, the main technical and engineering event in the UK focused on the radio industry.

The Adjudicator is always keen to meet with stakeholders to discuss their views about Arqiva. Where possible, he will seek to ensure stakeholders are well informed about the Undertakings and their purposes. An email to glyn.jones@ota-bts.org.uk is the easiest way to make an initial request for a meeting.

1.6 Monitoring Key Industry Developments

The Adjudicator continues to monitor key announcements and developments which may affect broadcast transmission. In this quarter these included:

- A previous Quarterly Report noted that Arqiva's major shareholder, Digital 9 Infrastructure PLC, had announced plans to sell its 51.8% stake in the company. Digital 9 acquired its interest in 2022 for a consideration of just over £450 million.

Separately, in November Macquarie Asset Management announced it had agreed the sale of the 26.5% of Arqiva shares held by various Macquarie managed investment vehicles. The total consideration is reported to be £16.9 million.

Digital 9 told investors that it believed it would be premature to sell its Arqiva shares now. It expects to wait until several factors have become clearer. Those things include government decisions about the future of Freeview, some key contract renewals and the refinancing of Arqiva's capital structure.

- In December, the government published a Green Paper and consultation on the future of the BBC and its Charter Renewal. The current Charter expires on 31 December 2027. The consultation indicated that the government is prepared to consider supplementing licence fee revenue with advertising or introducing subscription services for UK viewers and listeners.

1.7 The Adjudicator's Team

Glyn Jones has been Transmission Adjudicator since March 2024. Megan Donald is the Executive Assistant and Office Manager. Jeff Astle works with the Adjudicator on consultations and other projects. All three work part time.

Tanisha Ranjit's contract as an intern working across a range of projects finished towards the end of December.

In addition, Alice Wallace-Wright of Hogan Lovells International LLP provides legal advice, Professor Geoffrey Myers provides ad-hoc advice on economics and regulation, and Simon Mason provides ad-hoc technical expertise and advice.

Megan Donald is based at Ofcom's offices at Riverside House. The rest of the team have access to desks and meeting rooms in Ofcom's building when needed.

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2 2025/26 Budget

Expenditure from 1 April 2025 to 31 December 2025 (end of Q3 of the OTA-BTS financial year) was £504,300 against an annual budget of £793,525. This is broadly in line with expected expenditure and reflects the phasing of the budget (including for legal advice and external consultancy). In addition, a contingency of £470,000 is available if needed.

The Undertakings require Arqiva to fund the Office of the Adjudicator

3 Routine Reporting Items

3.1 Arqiva's Performance

Paragraph 35 of Appendix 1 requires the Adjudicator to comment on the performance of Arqiva over this period, in relation to the Undertakings.

The performance of Arqiva continues to be generally satisfactory.

3.2 Disputes

In this period there have been no disputes requiring the use of the formal Dispute procedure described in Appendix 2 of the Undertakings.

Earlier in 2025, the Transmission Adjudicator published some additional information about the Dispute process set out in Appendix 2. This information can be found at (<https://ota-bts.org.uk/dispute-process-non-binding-advice-and-information/>).

3.3 Guidance

During this period, no new Guidance has been issued. The Transmission Adjudicator has previously issued Guidance covering Paragraphs 6 and 9-12 of the Undertakings and is of the opinion that no Guidance is required in relation to Paragraph 3.

The Transmission Adjudicator will continue to monitor compliance with the Undertakings and existing Guidance and will consider whether any further Guidance is required.

Documents related to Guidance previously issued by Ofcom and the Office of the Adjudicator can be found on the website at www.ota-bts.org.uk.

3.4 Publication of Reference Offers

In July 2025, Arqiva updated the “Radio Rate Card for Network Access” which is used to generate pricing proposals for some customers when Arqiva judges it is appropriate. The RPI figure used was 4.47% for the year to April 2025.

The updated rate card can be found at https://www.arqiva.com/documentation/reference-offers/broadcast-radio/Arqiva_Radio_Rate_Card_for_Network_Access_2025-26.pdf.

and other reference offers are available at <https://www.arqiva.com/documentation/>.

3.5 Compliance Report

Paragraph 18.1 of the Undertakings requires Arqiva to deliver an annual report to the Office of Fair Trading (now the Competition and Markets Authority), setting out steps taken to comply with the Undertakings plus details of any breaches or potential breaches and the steps taken to remedy them.

The report for the year from 1st July 2024 to 30th June 2025 was delivered to the CMA, Ofcom, and the Adjudicator in September 2025. Arqiva reported no instances of non-compliance.

3.6 The Undertakings

The Adjudicator believes that the Undertakings, the Adjudication Scheme and Adjudication Rules are satisfactory at the present time and that no changes are needed. As required by the Undertakings, this will continue to be kept under review.

3.7 Information Security Strategy

Paragraph 16.2 of the Undertakings requires Arqiva to produce an Information Security Strategy which defines the measures to be taken to ensure that confidential information held in one part of the company cannot be used by another for commercial advantage.

In June 2025, Arqiva published an updated version of its Information Security Strategy with minor changes. This can be found under the “Corporate” tab at <https://www.arqiva.com/documentation>.

4 Feedback

The Undertakings require certain things to be included in each quarterly report and for the reports to be sent to the Competition and Markets Authority and Ofcom. In addition, the reports are published on the website of the Office of the Adjudicator at www.ota-bts.org.uk.

Any stakeholder comments about this report, its contents, or suggestions for how it could be improved would be welcome and should be emailed to the Transmission Adjudicator glyn.jones@ota-bts.org.uk.

Appendix A - Background

Whether you're a new reader or came here for a refresher (or by accident), welcome. The aim here is to explain why OTA-BTS exists, what its job is and what the Transmission Adjudicator is here for.

Back in 2008, Arqiva took over the only other major company providing transmission services to radio and TV broadcasters (i.e. National Grid Wireless).

At the time, the Competition Commission judged the deal "...may be expected to result in a substantial lessening of competition...and...may be expected to result in...adverse effects...". After consulting with broadcasters and other stakeholders, the deal was allowed to go ahead on the basis of a detailed set of promises made by Arqiva. These are known as the Undertakings.

One requirement of the Undertakings was the setting up of the Office of the Adjudicator and the appointment of a Transmission Adjudicator. While that appointment is made by Ofcom, the Adjudicator takes decisions independently of Ofcom, Arqiva and UK broadcasters.

The Office of the Adjudicator exists to ensure the promises in the Undertakings are being kept and followed, to issue guidance and directions to Arqiva and to adjudicate in certain disputes between Arqiva and its customers.

The goal of the Undertakings is to ensure any substantial lessening of competition does not result in adverse effects and help replicate the outcomes that would be expected in a competitive market.

The Undertakings can be found at <https://www.ota-bts.org.uk/undertakings.html>.

Although the Adjudicator has independence when carrying out their functions, the Undertakings give Ofcom certain roles (e.g. setting the budget each year, appointing Adjudicators and in some circumstances terminating their contracts).

Finally, alongside the Adjudicator, overarching responsibility for compliance with the Undertakings sits with the Competition and Markets Authority.