

Reference: 01800099

Information Requests
information.requests@ofcom.org.uk

23 April 2024

Freedom of Information request: Right to know request

Thank you for your request for information about weighted average cost of capital for Arqiva.

We received this request on 27 March 2024 and we have considered your request under the Freedom of Information Act 2000 (“the FOI Act”).

Your request

I am looking for the latest reports in which Ofcom has calculated the allowed returns and weighted average cost of capital for Arqiva's regulated broadcast business. Could you please provide this to me?

Our response

On 1 September 2008, the Competition Commission accepted undertakings from Arqiva as a remedy to the substantial lessening of competition created by the merger of Arqiva and National Grid Wireless. As part of those undertakings, an independent Adjudicator was appointed by Ofcom to address disputes regarding the effective operation of the undertakings (the “Adjudicator”).

Ofcom issued guidance to the Adjudicator on 19 January 2009 in relation to these undertakings which stated that:

“Ofcom acknowledges the correct figure [for WACC] is 10.4%, and this has been reflected in the final guidance. In terms of the BBC’s comment, on whether or not this figure should continue to apply, we consider that is a matter for the Adjudicator to judge. Ofcom does not however intend to modify the sectoral position at this stage.” (paragraph 2.45 of the [Guidance for the Adjudicator](#).)

Consequently, we have not recalculated the WACC from this point forward as we consider that a matter for the Adjudicator.

The Adjudicator’s reference offer guidance which implements this WACC can be found here: [Reference Offer Guidance](#).

I hope this information is helpful. If you have any further queries, then please send them to information.requests@ofcom.org.uk – quoting the reference number above in any future communications.

Yours sincerely,

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Request an internal review

If you are unhappy with the response you have received to your request for information, or think that your request was refused without a reason valid under the law, you may ask for an internal review. If you do, it will be subject to an independent review within Ofcom. We will either uphold the original decision, or reverse or modify it.

If you would like to ask us to carry out an internal review, you should get in touch within two months of the date of this letter. There is no statutory deadline for us to complete our internal review, and the time it takes will depend on the complexity of the request. But we will try to complete the review within 20 working days (or no more than 40 working days in exceptional cases) and keep you informed of our progress.

Please email the Information Requests team (information.requests@ofcom.org.uk) to request an internal review.

Taking it further

If you are unhappy with the outcome of our internal review, then you have the right to [complain to the Information Commissioner's Office](#).