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*Changes to legislation:* There are currently no known outstanding effects for the Postal Services Act 2011, Cross Heading: Fixing of charges. (See end of Document for details)

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## SCHEDULES

### SCHEDULE 4

#### RECOVERY OF ADMINISTRATIVE CHARGES INCURRED BY OFCOM

##### *Fixing of charges*

- 1 (1) If, at any time in a charging year, a postal operator provides a service within the scope of the universal postal service, the operator must, in respect of the service, pay to OFCOM the administrative charge (if any) that is fixed by OFCOM as applicable to the operator.
- (2) OFCOM may fix the administrative charge for a charging year only if—
- (a) at the time the charge is fixed there is in force a statement by OFCOM of the principles that they are proposing to apply in fixing charges under this paragraph for that year, and
  - (b) the charge is fixed in accordance with those principles.
- (3) Those principles must be such as appear to OFCOM to be likely to secure, on the basis of such estimates of the likely costs as it is practicable for them to make, that—
- (a) on a year-by-year basis the total amount of the charges payable to OFCOM is sufficient to meet, but does not exceed, the annual cost to OFCOM of carrying out their postal services functions,
  - (b) the cost of carrying out those functions is met by the imposition of charges that are objectively justifiable and proportionate to the matters in respect of which they are imposed, and
  - (c) the relationship between meeting the cost of carrying out those functions and the amounts of the charges is transparent.
- (4) OFCOM's power to fix charges for a particular case includes—
- (a) power to provide that the charges are to be equal to the amounts produced by a computation made in the manner, and by reference to the factors, specified by them,
  - (b) power to provide for different charges to be imposed on different descriptions of persons,
  - (c) power to provide for particular descriptions of persons to be excluded from the liability to pay charges.
- (5) As soon as reasonably practicable after the end of each charging year, OFCOM must publish a statement (a “financial statement”) setting out for that year—
- (a) the total amount of the charges for that year that they have received,
  - (b) the total amount of the charges for that year that remain outstanding but are likely to be paid or recovered, and
  - (c) the cost to OFCOM of carrying out their postal services functions.
- (6) Any deficit or surplus shown (after applying this sub-paragraph for previous years) by a financial statement is to be carried forward and taken into account in determining

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what is required to satisfy the requirement imposed by virtue of sub-paragraph (3) (a) in relation to the following year.

- (7) For the purposes of this paragraph “charging year” means—
- (a) the period beginning with the commencement of this Schedule and ending with the next 31 March, or
  - (b) any subsequent period of 12 months beginning with 1 April.

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