

KPMG organisation profile document:

Section Overview

Questions

Notes

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Organisational Objectives /Purpose	What are the objectives and purpose of the organisation?	To advise Ofcom, the communications regulator and other relevant bodies, on the consumer interest in the telecommunications, broadcasting and spectrum markets under the Communications Act 2003. The Panel of part-time members is independent of Ofcom, setting its own agenda but working constructively with the Ofcom board and other relevant bodies. We focus on access to communications regardless of whether this affects people as citizens or consumers. Of particular concern to us are issues affecting older people, people with disabilities, low-income households, people living in rural and urban areas and small businesses. Our goal is to see a communications marketplace where all consumers can choose and use products and services that suit their needs with the confidence that comes from knowledge.

Legal status	What is the legal status of the organisation?	The Panel is a statutory public body, established and maintained by Ofcom to advise Ofcom and such other persons as the Panel think fit on the consumer interest in communications markets - a requirement of S.16(2) of the Communications Act 2003.
Organisational structure	What is the organisational structure by reporting line and by location?	There are now 12 part-time Panel members, including the Chairman and Deputy Chairman. The Act does not prescribe the number of members. The Panel is supported by a staff team of four Ofcom employees located within Ofcom's head office in London. The reporting line for appointments to the Panel consists of Ofcom and then the Secretary of States for both DTI and DCMS - the sponsoring departments. The Communications Act 2003 does not specify a reporting line other than to state that Ofcom, with the approval of the Secretary of State, can remove the Chairman and every member of the Panel (section 17.8 (b)). The Manager of the Panel staff support reports into both Ofcom and the Panel Chairman.

Organisational strengths	What are the strengths of the organisation?	<p>1) A credible, independent body capable of representing consumer interests in communications markets in a sustained manner, developed as part of the better regulation agenda.</p> <p>2) The Panel has a sufficient research budget and research skills at its disposal to enable its work to be founded on a strong evidence-base. This broadly-based and forward-looking research informs the Panel's work and thus ensures we can represent consumer issues accurately.</p> <p>3) The Panel's remit is sufficiently broad not to limit the range of communication consumer issues it can address (but please note content issues are not within our remit). This enables the Panel to focus on relevant consumer concerns, independently of Ofcom's agenda.</p> <p>4) The Panel's support staff are located within the regulator and the Panel bases most of its activities at Ofcom - its regular Panel meetings and meetings with Ofcom staff and other external bodies. This enables daily interactions between Ofcom and the Panel and through this and good relationships with the Ofcom Board, the Panel is afforded the opportunity to gain early insight and influence on Ofcom's agenda and policy before it reaches the public domain. This enables a more strategic input than could be had simply by responding to consultation documents. Such a strategic input is critical in light of the rate of Ofcom's policy development - last year it published approximately 400</p>
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Organisational strengths	What are the strengths of the organisation? (continued)	consultations. 5) Panel members are policy "creators" not "approvers" - it does not operate like a non-executive board - it is therefore important for the skills balance of the Panel to be high. Ofcom must ensure that Panel appointments lead to a different member of the Panel capable of representing the interests and opinions of people living in different parts of the UK. In this way the Panel can address regional issues. Ofcom must also ensure that the Panel can give informed advice about matters relating to the interests of people in rural and urban areas, the interests of small businesses, disadvantaged people, people on low incomes or with a disability and older people. Members have a range of previous experiences - e.g. working as a regulator, in industry, in consumer advocacy. This range of knowledge, expertise and experience of the Panel means that it can provide advice over a wide range of issues and apply the lessons from a range of perspectives.
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Benefits delivered by the organisation	What benefits does the organisation deliver?	<p>There is significant overlap between the strengths and benefits.</p> <p>1) Thoughtful, timely, and strategic advice on the consumer interest in Ofcom's policies early on in their policy-making process. Our consumer interest toolkit publication demonstrates how well a Panel of 12 can hold an organisation of approximately 800 to account.</p> <p>2) It is very easy for an economic regulator to be absorbed by its relationships with industry. The Panel provides a consistent consumer voice in its work and to redress this balance. We also have a direct relationship with industry, for example with a workshop about our research findings, with individual companies about selling practices.</p> <p>3) As a "critical friend" of Ofcom we represent consumers and give advice on confidential, "green" policies. This provides the opportunity to tackle areas of disagreement early on in a non-adversarial manner and identify workable solutions. Solutions which may not be achieved if Ofcom were to rely solely on external consumer stakeholders who may have other policy priorities.</p> <p>4) We are sufficiently independent to enable us to also speak up publicly when we disagree.</p> <p>5) Through hosting the Consumer Forum on Communications and our work with other consumer stakeholders on particular areas of policy, we facilitate dialogue between them and Ofcom and provide an additional mechanism for feeding in consumer interests from other</p>
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Benefits delivered by the organisation	What benefits does the organisation deliver? (continued)	stakeholders to Ofcom. (However, we cannot be a substitute for them.)
Major business risks	Are there any major business risks i.e. past / present liabilities, disaster recovery, exposure to litigation	Risks may arise from major public disagreement with Ofcom. This could undermine good working relationships needed to ensure the Panel can advise early on in policy formulation.

Business KPIs	How do you measure the success of your organisation?	<p>1) The degree to which our advice is incorporated into Ofcom or others' policy. The Panel keeps a record of all advice given and responses to that advice and in this way we track our impact on policies and will decide whether or not we need to continue our involvement in certain areas. As has been recently agreed with Ofcom, we are currently preparing our advice to Ofcom and their responses for publication on our website so that others can also see the impact we have made. There are recent examples already on our website - consumer policy review and telecomms strategic review - and the notes of Panel meetings provide an already publicly available record of this advice and responses. We are also seeking to have our advice and responses from Ofcom published in relevant policy documents. Two examples of this are the Panel's Capturing the Consumer Interest and Ofcom's consumer policy review consultation. We will seek to mirror this transparent and accountable approach with other policy-makers.</p> <p>2) The degree to which the Panel's advice is proactively sought (e.g. the Secretary of State asking for advice about digital switchover).</p>
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Future plans and direction	Are there any planned changes to the headcount?	No
	Are there any planned changes to any activities?	No
	Are there any regulatory issues that may have an impact ie public bills, EU directives?	<p>1) DTI's consultation, Strengthen and streamline consumer advocacy: consultation on consumer representation and redress (January 2006).</p> <p>2) The review of the EU regulatory framework raises the idea of a pan-European regulator.</p>

Headcount

Headcount by team (including support functions)	How many posts does each team have?	There is one staff team and another team which is the Panel itself.
	How many FTE does each team have?	There are 4 FTE support staff. None of the Panel members are full-time.
	How many actual staff does each team have?	4 in the staff support. The Panel is not staff.
	Where are these teams located?	London. The Panel meets in London and also in other parts of the country so that it can supplement its understanding of national and regional issues (e.g. mobile roaming in Northern Ireland). The Nations Panel members also attend Ofcom Nations advisory committee meetings whose work is complementary to but distinct from the Panel's. The Panel also benefits from Ofcom's offices in the Nations.

Contractors / consultants / temporary staff	How many temporary staff are filling permanent posts?	None
	How many contractors are on fixed term contracts?	One contractor working as a communications consultant for a fixed period of one year. This is in addition to the 4 support staff.
Special contract conditions and penalties	Do any contractors have special contracts?	No
	Do any permanent staff have special contracts?	No
Management Board / Consumer Panels / Regional Committees	What is the composition of the Management Board and any panels etc?	N/A

	<p>What is the cost of the Board, panels etc?</p>	<p>Actual remuneration of the Panel in 05/06 will be £188,000, notional remuneration of staff in 05/06 will be £190,000.</p>
	<p>How frequently does the Board, panels etc. meet?</p>	<p>The Panel meets formally eleven times a year – monthly, but excluding August. Panel members will also attend meetings with Ofcom staff and other policy stakeholders and do preparatory work in addition to this.</p>

	Where do these meetings occur?	Mostly in London and twice a year outside London (Wales, Scotland, Northern Ireland and other parts of England).
Itemise any outsourced services ie catering, cleaning	What are the conditions of these contracts and any penalties?	<p>Panel members have fixed-term appointments. The Chairman and the members for the Nations and Regions are on 3 year appointments, the remainder on 2 year appointments. The latter have recently been renewed. The appointment schedule is as follows: Chairman's term expires 28/12/08, Deputy Chairman's term expires 11/02/08; 3 Panel members' (Graham Mather, Kate O'Rourke, Bob Twitchin) terms expire 11/02/08; 1 member's (Azeem Azhar) term expires until 01/03/08; 4 members' (Fiona Ballentyne, Roger Darlington, Simon Gibson, Kevin McLaughlin) terms expire 11/02/07; and 2 new members' (Alan Williams, Jeremy Mitchell) terms expire 01/02/08.</p> <p>Panel members' areas of policy responsibility are not stipulated in their appointment terms and conditions and can rotate as the need arises. Panel members are appointed with a commitment of up to one day a week and in 05/06 receive £12,300 pa. The Deputy</p>

<p>Itemise any outsourced services ie catering, cleaning</p>	<p>What are the conditions of these contracts and any penalties? (continued)</p>	<p>Chairman's commitment is for up to 2 days a week and receives £30,800 pa in 05/06. The Chairman's commitment is for up to 3 days a week and receives £51,400 pa in 05/06. Panel members' remuneration is not on a pro rata basis if they do less than their maximum day allocation. Some members do in excess of their appointment requirements. Performance bonuses, pensions and other benefits are not applicable. Members only have strictly defined expenses including travel, an overnight stay if necessary and personal assistance.</p> <p>We outsource the following: research (in that we commission specialist research agencies to conduct this work on our behalf); some communications work; specific policy projects where needed to supplement the Panel's work (e.g. digital switchover report for the Minister, consumer interest toolkit). Ofcom provide the Panel with human resources support, facilities, IT support, training without charge. It could therefore be considered that we outsource these functions for free.</p>
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Functions and Activities

Note: An overview of the functions and activities delivered by the organisation is required. The following list is an example only:

Conducting / Commissioning Research	What type of research is undertaken?	Quantitative and qualitative research into consumers experiences of the communications markets, focussing in particular on vulnerable consumer groups.
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	<p>How many research projects are undertaken each year (are these annually updated or one-offs)?</p>	<p>We have one annual tracker, now in its second year. We have another research project on older people planned for 05/06. We are likely to conduct another piece of research in 06/07 in addition to our tracker.</p>
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	<p>What topics does this research cover?</p>	<p>The tracker research asks two key questions: 1) What is the level of consumer knowledge regarding what is going on in the communications market and the choices / alternatives they have now and will have in the future? 2) What is the current consumer experience in the communications market? The older people research will seek to understand: 1) Why older people (aged 55+) are less likely to own internet and digital TV services – and appear to have a higher level of inertia in these markets compared to other demographic groups? 2) What motivates this demographic group to take-up these services?</p>
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	<p>Is the research conducted in collaboration with others?</p>	<p>The Panel is supported by Ofcom research staff in the design, commissioning and management of the research but we retain sole ownership of the research and its findings. This support is not charged for but supplements the expertise at our disposal and enables us to benefit from Ofcom's economies of scale gained as a result of its extensive research activity. The tracker research is published and disseminated by the Panel as will be our work on older people. We will seek to bring our findings to the attention of others where it will bring improvements to policy on behalf of consumers, for example our findings about older people and digital switchover. Other research and work of the Panel will be conducted in collaboration with others if it adds value.</p>
	<p>What deliverables are there? Is this research published?</p>	<p>The research is published and helps underpin the Panel's policy work.</p>

	Which teams / how many staff are involved in research?	All support staff and Panel members are involved to differing degrees. One or two members of Ofcom's research team are also involved.
	Is any of the research outsourced?	Research agencies will conduct the research on our behalf.
	How much does it cost to do the research?	In 05/06 we have a research budget of £280,000. In 06/07 this will be £230,000.

Handling Complaints	How many complaints do you handle each year?	Individual consumer complaints and enquiries are outside of our remit. However, we occasionally receive such contacts and will refer them to Ofcom or other appropriate bodies. We receive approximately 50 complaints and enquiries a year. We receive monthly information from Ofcom's Contact Centre which handles complaints. This together with our contacts with the ombudsman, means that we are kept informed of emerging consumer problems. The information from the ombudsman does not allow us to identify individual companies so as not to breach commercial confidentiality. We also receive confidential market information from Ofcom which again is used to inform our policy work. The quality and speed of this information flow about complaints is crucial in communications markets where problems emerge quickly and spread almost virally.
	How do you categorise these complaints?	N/A
	How quickly are these complaints closed?	N/A
	What deliverables are there?	N/A
	How much does it cost to handle these complaints?	Minimal
	Which teams / how many staff are involved in handling complaints?	N/A

Handling Enquiries	How many enquiries do you handle each year?	See above
	How do you categorise these enquiries?	They are not categorised.
	How quickly are these enquiries closed?	N/A
	What deliverables are there?	N/A
	How much does it cost to handle these enquiries?	Minimal
	Which teams / how many staff are involved in handling enquiries?	Any of the 4 staff members.
	Does the organisation use Consumer Direct	No
Ombudsman	Does the organisation undertake any ombudsman-like activities?	No
	What deliverables are there?	N/A
	How much does it cost to undertake ombudsman-like activities?	N/A
	Which teams / how many staff are involved in ombudsman-like activities?	N/A
Influencing Policy	What policy activities does the organisation undertake?	The Panel conducts its policy work under four broad themes: understanding consumer concerns; consumer-focused regulation; supporting consumers through digital switchover, a fair deal for all in telecommunications. Related work includes looking at the consumer interest in spectrum release and the digital inclusion of older people. We are currently developing and

Influencing Policy	What policy activities does the organisation undertake? (continued)	will be publishing our 06/07 work plan in Q1. The Panel's policy activities include: meetings with key policy-makers; holding our own and attending others' events; advice to the Ofcom Board and staff; advice to government and MPs; consultation responses; media work.
	What deliverables are there?	Events, publications, advice notes for the Board and Ofcom staff, consultation responses, press coverage
	How much does it cost to influence policy?	The Panel's sole purpose is to influence policy, not handle complaints or provide information and advice. Hence including research, an important tool, influencing policy costs the same as our total Panel budget - approx. £920,000 for 05/06. This includes staff costs and member remuneration.
	Which teams / how many staff are involved in policy activities?	2
Educating Consumers	What education activities does the organisation undertake?	None
	What deliverables are there?	N/A
	How much does it cost to undertake educational work?	N/A

	Which teams / how many staff are involved in educational activities?	N/A
Statutory powers and responsibilities	Does the organisation have particular statutory powers and responsibilities?	Section 16.11 requires the Panel to publish an annual report. (The Communications Act places statutory duties on Ofcom in relation to the Panel.)
Others	What other activities does the organisation undertake?	None
	What deliverables are there?	N/A
	How much does it cost to undertake these other activities?	N/A
	Which teams / how many staff are involved in other activities?	N/A

Geographical scope	What geographical scope does the organisation have?	EU, UK in particular.
	Do any activities need to be delivered from a particular location?	The nature of our current policy work would not be sustainable if support staff were not based at Ofcom's London office. Keeping abreast of the myriad of policy issues emerging from Ofcom and providing timely advice requires close daily liaison with Ofcom staff.

	<p>Do any locations provide the organisation with unique facilities?</p>	<p>London provides the Panel with the following advantages: relationship with Ofcom; closeness to Government, Parliament other key consumer and communications stakeholders.</p>
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Skills and Knowledge

	<p>What skills & competencies do the teams have?</p>	<p>The Panel members were chosen to ensure the necessary balance of knowledge, skills and experience to advise Ofcom (see above). Staff have a balance of consumer policy, financial management, secretariat, events management, project management, media and research skills, knowledge and experience.</p>
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	Are there any unique skills / knowledge in the organisation?	The Panel has a unique combination of skills and knowledge in relation to consumer issues in communications markets. As members have been together as a Panel since its inception, they too benefit from historical knowledge of Ofcom's work.
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IT systems

	What systems does the organisation use ie SAP, Microsoft?	Microsoft Works, Ofcom CRM system
	Does the organisation have any bespoke systems?	No
	Does the organisation outsourced any IT services?	Staff team has access to an in-house IT support team. Ad hoc support to Panel members as required.

Related party arrangements

	Is the organisation reliant on any non-employed staff ie lawyers etc.	We are reliant on our communications consultant, designers, printers.
	Is the organisation reliant on its home department for any services or facilities?	The Panel are reliant on Ofcom for accommodation, meeting rooms, facilities for the staff support team.
	Are any other organisations reliant the organisation for services or facilities?	No
	Are any of the organisation's suppliers on long-term contracts? What are the contract conditions and penalties?	No

Documents required

Please can you provide us with any documents that would aid our understanding of the organisation? For example:

- Most recent business plans
- Most recent annual report
- Most recent board papers
- Most recent Profit and

Loss Account
Most recent Cashflow
statement
Most recent Balance
Sheet
Most recent investment
plans

We have provided:

Annual report
The Ofcom Consumer Panel leaflet
Memorandum of understanding
Statement of Intent