

## **Minutes of the twenty-sixth meeting of the Ofcom Consumer Panel**

**Tuesday 23 May 2006 at 09.00 hours**

**Ofcom, 2 Caspian Point, Caspian Way, Cardiff CF10 4DQ**

Present:

### Consumer Panel

Colette Bowe (Chairman)  
Ruth Evans (Deputy Chairman)  
Fiona Ballantyne  
Roger Darlington  
Simon Gibson  
Graham Mather  
Kevin McLaughlin  
Jeremy Mitchell  
Bob Twitchin  
Allan Williams

### In attendance

Andrew Davies AM (Minister for Enterprise, Innovation and Networks, Welsh Assembly Government – item 2)  
Michael Eaton (e-Wales Programme Director – item 2)  
David Edwards (Consumer Panel Secretary)  
Julia Guasch (Consumer Panel Support Executive)  
Georgia Klein (Consumer Panel Manager)  
Dominic Ridley (Policy Executive to the Panel)  
Rhodri Williams (Ofcom Director Nations-Wales – item 2)  
and Ofcom colleagues

## **1. Welcome and introductions**

1.1 The Chairman thanked members for their participation in discussion with Lord Elis-Thomas, the Presiding Officer of the National Assembly for Wales, on the previous evening. Apologies were received from Azeem Azhar and Kate O'Rourke. The Chairman welcomed Andrew Davies AM and Michael Eaton to the meeting. It would begin with a discussion of communications issues in Wales.

## **2. Communications issues in Wales**

2.1 Simon Gibson commented that communications in Wales had developed positively since the Panel's previous meeting in Cardiff in October 2004. There was now 99% broadband coverage and the issues were now about take-up and whether services were compelling enough for consumers. A TV signal was the issue in some communities and ADSL could be the TV delivery mechanism.

2.2 Andrew Davies and Michael Eaton gave a summary view of the communications market in Wales as follows:

- Wales had caught up with and even exceeded broadband rollout in the rest of the UK;
- the Regional Innovative Broadband Support (RIBS) scheme to upgrade the final 35 BT exchanges would result in 100% broadband coverage;
- the RIBS scheme was a measured form of market intervention;
- innovative marketing schemes were required to stress the benefits of broadband, service providers were beginning to recognise this;
- one issue was confusion over the definition of broadband;
- Wales had coined its own term – 'first generation' broadband, with a downstream connection speed of at least 512Kb; the Assembly Government would continue to survey the Welsh market-place to gauge untapped demand for the next generation of broadband services;
- mobile coverage remained a concern, particularly for businesses;
- the Assembly Government was looking at 3G and whether there was scope for state intervention; it had asked Ofcom to consider the vexed issue of domestic roaming;
- the Wales agenda would move on to Next Generation Networks and the nature of the universal service obligation (USO); the Panel Chairman commented that a twin track discussion of the USO was required, with an uncoupling of what USO means and how it will be delivered and funded;
- the Digital Switchover (DSO) technical trial in Ferryside and Llansteffan had been a positive experience but there would be Digital Dividend issues to resolve, ie what would be the dividend for Wales?
- developments in wireless technologies meant more masts in the landscape, there were labour and power supply costs and planning regulations to be considered in such provision;
- in some locations local mobile traffic may be insufficient to generate a return on investment.

2.3 The Chairman concluded discussion by thanking Andrew Davies and Michael Eaton for agreeing to meet the Panel and confirmed that the Panel wished to maintain contact.

### **3. Declaration of members' interests**

3.1 Roger Darlington had spoken at a conference in Geneva and his expenses had been met by SAS, a US software company. Simon Gibson reported that Ubiquity Software Corporation, of which he was a non-executive director, had won a contract as a supplier of SIP platforms for BT's 21st Century Network (21CN) programme. He had no direct involvement with the project.

#### **4. Minutes of the meeting on 27 April 2006 and matters arising**

4.1 The minutes of the previous meeting were agreed subject to a minor amendment. With regret the Chairman reported that Azeem Azhar had resigned from the Panel and members were asked to consider the candidate profile of a replacement. One solution could be to fill the vacancy with a Consumer Voice nominee based on the presumption that the Panel would remain separate from but linked to Consumer Voice.

4.2 Georgia Klein had been asked to consider issues around setting up an industry equivalent of the Consumer Forum on Communications but Ofcom was now in the process of setting up a commercial panel. The Chairman of the Ofcom panel would be invited to meet the Consumer Panel. The suggestion, made at the previous meeting, of a Panel project on broadband speeds and the marketing of broadband services remained to be followed up by Georgia Klein and Dominic Ridley. The Secretary was asked to copy Panel members the full set of final workstream templates. It was agreed that the Panel would review workstream milestones every three months. The Panel would host an event on older people on 5 July 2006 and by invitation.

4.3 The Chairman and Simon Gibson had spoken about Ofcom's work on spectrum and how the Panel could add value in a complex area. Members were given copies of a slide pack on spectrum issues and effects on consumers. Allan Williams commented that following market changes arising from DSO and the Digital Dividend Review (DDR), there could be issues resulting from the re-allocation of other spectrum. For example, it would be necessary to consider the potential for the loss of legacy uses, eg pagers and baby alarms. The Deputy Chairman suggested evidenced-based research on the services that consumers wanted. Jeremy Mitchell said that it would be important to consider services that the market would not deliver. It was agreed that the Panel's focus would be the DDR. [Note: the DDR was discussed under item 6 below.]

AP1 Members to consider the candidate profile required to fill the vacancy arising from the resignation of Azeem Azhar

AP2 Georgia Klein and Dominic Ridley to consider whether there should be a Panel project on broadband speeds and the way they are marketed, and report at the June Panel meeting.

AP3 Secretary to copy members a full set of final workstream templates.

AP4 Panel to review workstream milestones every three months.

#### **5. Chairman's report**

5.1 The Chairman reported that Ofcom's Remuneration Committee had agreed that members' remuneration would increase by 2% from April 2006.

5.2 The Chairman had attended a meeting of the Ofcom Board on 9 May 2006 to make an annual report on Panel activities. Members were given copies of an

extract from the draft Ofcom Board minutes covering the item. Board members had received a draft of the Panel's forthcoming Annual Report 2005-06. Discussion had covered the Panel's consumer interest toolkit, involvement in spectrum issues, issues affecting older people and citizens. It had been suggested that external perception of the Panel and its independence from Ofcom could be improved if the Panel were to change its name.

5.3 Members discussed the suggestion of a name change and the Panel's media profile. The following comments were made and some questions raised:

- it would be an up-hill task to improve public awareness of the Panel and its role but Ofcom Consumer Panel was not sufficiently well established as a brand for a name change to be a problem;
- there was perception of the Panel as being a part of Ofcom or the two being one and the same organisation, but did that matter?
- did the Panel want a high profile or did it want to get its messages out to consumers?
- a name change/rebranding exercise could prove to be expensive;
- with the uncertainties around Consumer Voice and the Panel's relationship with that body it would be better to await outcomes;
- the Panel name could be retained but supplemented with a strap line, eg Ofcom Consumer Panel: the independent voice of consumers;
- Panel independence should be defined by what it said and by what it did;
- a name change would require careful consideration, including what would be gained from the exercise;
- the Panel could aim for a different relationship with the media, ie driven by long term issues rather than news stories;
- there were different views about the extent to which the Panel should make public comments only when backed by hard evidence;
- a claim by the Panel that a particular activity in the marketplace was "an issue" would be unlikely to be picked up by the media;
- the Panel was a small organisation with limited resources, concern about its media profile should be proportionate.

5.4 The Chairman drew discussion to a close. She said that this was an issue that had been discussed before but there divided views on how the Panel should be seen by the media. Members were asked to reflect further on where the Panel should position itself to receive media attention, taking into account its statutory basis and for discussion at the next meeting.

5.5 The Chairman had met officials at the Department of Trade and Industry (DTI) and it was expected that DTI proposals on Consumer Voice would appear this side of the Summer, with legislation in the Autumn.

AP5 Members to consider where the Panel should position itself to gain appropriate media attention, for discussion at the June Panel meeting.

## **6. Members' updates**

6.1 Graham Mather and the Chairman had met with Ofcom colleagues to discuss consumer interest toolkit topics, ie the Ofcom projects that would have the toolkit questions applied. It was agreed that the Chairman and Graham Mather would report further at the next Panel meeting.

6.2 Bob Twitchin had met with Disability Wales the previous day. Housing associations engaged in community initiatives and it had been suggested that they could channel communications information to their residents. Care and Repair Cymru – an organisation that enters homes to make adaptations for people with a disability – could be another channel. Bob Twitchin had attended the launch of the e-Inclusion Charter for industry and the voluntary sector at the House of Commons and a TAG (an organisation promoting access to electronic communications for deaf people) seminar on emerging technologies. He would attend a meeting of the disability sub-group of the DSO Consumer Expert Group.

6.3 Roger Darlington had attended a number of Ofcom events to launch its series of media literacy reports. He and the Panel Chairman had attended a meeting of the Associate Parliamentary Media Literacy Group. Fiona Ballantyne had made a presentation at the Scottish Parliament on the Panel's research on older people. Fiona Ballantyne and Roger Darlington would be attending a DSO event in Carlisle prior to the next Panel meeting. Allan Williams had provided comments to Ofcom on a first draft of a paper on consumer issues arising from DSO. He had conducted a literature review of young people's communications issues and was in the process of gaining a broader understanding; a number of issues were on the consumer/citizen boundary. He would meet with the Chairman and Georgia Klein to discuss the Panel's work on younger people.

6.4 The Deputy Chairman had attended meetings on DSO, with officials from the Department of Culture, Media and Sport (DCMS), with Digital-UK and the DSO Consumer Expert Group. The DCMS report on the Bolton trial would be published shortly, as would the Government's response to the Culture, Media and Sport Committee's report on DSO. The Chairman and Deputy Chairman would be meeting a DCMS minister to discuss DSO concerns. Kevin McLaughlin had met RNID in Northern Ireland.

AP6 Chairman and Graham Mather to report to the Panel on toolkit topics and timescales, at the June Panel meeting.

AP7 Julia Guasch to arrange a meeting for the Chairman, Allan Williams and Georgia Klein to discuss the Panel's younger person's remit.

## **7. Digital Dividend Review (DDR)**

7.1 Members had received a short information paper and supporting slides providing an outline of Ofcom's spectrum management agenda, the DDR and

some general background material on spectrum. Ofcom colleagues provided brief commentary on a number of the slides and explained in more detail Ofcom's approach to and analysis of the DDR, the former based on its general view that the market should decide the best use of spectrum, and then later on the kinds of services that could be offered using spectrum released by DSO. Ofcom's DDR work programme included a dedicated workstream to ensure consumer and citizen issues were fully integrated into DDR methodology and collaboration with Ofcom's Consumer Policy team. Other objectives were close working with the Consumer Panel and with consumer and other stakeholders. Ofcom had hosted an initial DDR stakeholder event in February but whilst consumer organisations had been invited none had chosen to take part. It was planning to host a DDR roundtable/workshop with consumer groups in July 2006 and would welcome Panel participation. The Ofcom DDR team would strive to implement a consumer interest toolkit approach to its work. Extensive analysis was underway to inform Ofcom's DDR project, to identify which services were likely to want to use the DDR spectrum and to assess the economic, market and technical issues associated with each of these potential users of the spectrum. This work was intended to inform a consultation planned for Q4 2006 on how the spectrum award should be structured to enable the most likely uses to bid for capacity and to capture the maximum benefits for individuals and for society. There were other dimensions to take into account, some were international constraints with the requirement for a co-ordinated approach amongst different states and others political, ie the desire to maximise the revenue from spectrum auctions. However, Ofcom's objectives were clear: to obtain the maximum benefits for society from finite resources.

7.2 The Chairman said that the DDR would be a major area of work for the Panel but it needed to determine how it could best add value. The Panel was considering which Ofcom projects it would select to apply the toolkit and the DDR was a contender. The Chairman noted that a wide range of new services could be offered with the release of spectrum but it would be important to have a clear understanding of choices and trade-offs. The digital dividend would not be able to deliver everything to everyone. Two important areas of work were the issues that would not be addressed by the market and how best to engage with consumer stakeholders. The Chairman suggested that the July 2006 roundtable could be too early to ensure the latter and it would be better to hold the event when Ofcom's market research exercise was complete. The Panel was particularly interested to define the consumer and citizen benefits and would welcome a fuller discussion of the research being conducted as part of the DDR. The Panel's spectrum sub-group would meet in advance of the June 2006 Panel meeting and would take part in the July 2006 roundtable event.

AP8 Panel spectrum sub-group to meet in advance of the June Panel meeting to discuss the digital dividend review.

**8. Issues arising from Ofcom’s Nations and Regions audit**

8.1 Kevin McLaughlin had written a summary paper on issues raised in Ofcom’s Nations and Regions audit and the paper had been copied to members. He briefly summarised the key findings for England, Northern Ireland, Scotland and Wales and the main themes that had emerged. The paper incorporated four categories of disempowerment proposed by Roger Darlington: due to geographic, economic, social and educational circumstances. Roger Darlington said that the categories could be more useful than political/national distinctions or the categories listed in Section 17 of the Communications Act 2003 (the Act) . Allan Williams had suggested that the categories could be used as axes that integrated with other areas of disadvantage, he said that the points of intersect could then be the focus of Panel interest and the subject of detailed analysis.

8.2 Georgia Klein reported that Ofcom was scoping a consumer protection project, including a detriment study. In the Autumn Ofcom would be hosting a consumer outcomes event, forming a link between the Nations and Regions audit and Ofcom’s citizen policy project. It was agreed that the Nations and Regions audit did not require the Panel to take specific actions but that it was an opportune time to re-think the potential for consumer/citizen detriment and to reconsider the Panel’s overall mission/vision and translation of the latter into action, ie how it should frame its research and direct its efforts as a Panel. Jeremy Mitchell suggested that this could be codified in a short statement, setting out how the Panel intended to interpret its remit, as described in the Act.

AP9 Georgia Klein to review the Panel’s mission/vision for a discussion at the July Panel meeting and prior to a statement to the Ofcom Board in September.

**9. Other matters to note/agree**

9.1 Members had been provided with a report on meetings, consultations and approaches to the Panel; its contents were noted.

**10. Any other Business**

10.1 An Internet Protocol TV demonstration would be provided immediately after the meeting, preceded by a short explanation of the service.

.....Chairman

.....Date