

Advice from the Ofcom Consumer Panel

CONSUMER
PANEL

Ofcom
OFFICE OF COMMUNICATIONS

Title of Ofcom Project:	Digital switchover: an audit of consumer priorities (draft 17 May 2006, now 14 June 2006)
Date:	23 June 2006
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Advice given at meeting Date: Attendees: Ofcom Panel	N/A 22 May 2006 N/A Ruth Evans, Alan Williams, Roger Darlington, Fiona Ballantyne, Bob Twitchin, Georgia Klein, Dominic Ridley
Paper no.	AO/59
Ofcom milestone(s)	Advised publication before 27 July 2006

Background

1. The Panel commented on a summary version of this paper at a meeting with Ofcom on 27 April 2006 (Panel meeting paper, ref. CP200618). At this meeting the Panel requested an opportunity to comment on the full draft of this paper when it was ready and ahead of publication. The comments below are on the draft of 17 May 2006.

Key points

2. The Panel has three key points:
 - The importance of social isolation as a key factor influencing people's ability or inability to handle digital switchover is seriously underplayed. (Colette Bowe, Chairman of the Panel has already discussed this matter with Ed Richards, Chief Operating Officer of Ofcom). We hope that this will be reflected in the final report.
 - It is by no means clear that the delivery mechanisms for digital switchover are properly funded.
 - The complicated multi-organisation arrangement for oversight, management and delivery do not make it clear who is ultimately responsible for making the whole process work.

3. The Panel therefore recommends that Ofcom speedily publishes a hard-hitting evaluation of the progress of current activities, risks, scale of the problems and urgency that these issues present, giving greater emphasis where a lack of clarity has contributed to lack of progress.

Socially isolated

4. The paper fails to give adequate weight to the analysis carried out by the Panel in its November 2004 report to the Secretary of State, highlighting the importance of social isolation as a critical factor in an individuals' ability – or not – to handle the switchover.
5. Eligibility for the Government's targeted assistance programme fails to recognise this advice and is much narrower than that proposed by the Panel. Your paper appears to endorse this narrower eligibility. It agrees that Digital UK's funders should pay for and deliver support for anyone outside of the Government programme. What does the research say about who is "at risk"?
6. The Select Committee indicated that the scope of the targeted assistance scheme needed urgent attention as it is *"too restricted and fails to acknowledge those who, by dint of income or social exclusion, are in genuine need"*.
7. We recommend that our advice to the Secretary of State about addressing the needs of the socially isolated and providing financial assistance within the targeted assistance programme is re-stated in your report.

Resourcing

8. The Panel is concerned that Digital UK is inadequately resourced to handle the scale of the work required to successfully deliver DSO. The Government's arrangements for HelpCo have yet to be made public and so we are not in a position to judge the adequacy of their resources. It would be helpful if both issues were highlighted within your report.

Accountability and responsibility

9. The Panel's concerns about the lines of accountability and responsibility are reflected in the Select Committee's report:

"We are concerned that the complexity of the digital switchover management structure leaves lines of accountability blurred. There needs to be clearer chains of command with precise responsibilities specifically defined. We also believe that there is a danger that Digital UK will lack the authority and resources to manage the interests of a diverse group of industry stakeholders should their bonds of mutual self-interest come under strain." (paragraph 19)¹

¹ House of Commons Culture, Media and Sport Committee (March 2006). *Analogue Switch-off: a signal change in television. Second report of Session 2005-06, Volume 1.*

10. The Government's response adds to our concerns:

"Having worked together as joint lead Departments since 1999, we see no reason now to change the current arrangements." (p8)²

11. The Panel considers this response to be unsatisfactory. The Panel recommends that one individual should ultimately be responsible for the entire digital switchover programme. The Switchover Programme Group was set up to monitor, co-ordinate and report progress on the DSO programme work streams and report into the Ministerial Group on DSO, which in turn provides oversight and advice to the Group. However, the division in responsibilities between DCMS and DTI accountabilities is limiting the effectiveness of this governance arrangement.

12. The Panel also wishes to see the "chains of command" for DSO addressed within the paper. The paper helpfully sets out responsibilities for tasks but also needs to set out accountabilities.

13. It would be useful for Ofcom to go into greater detail on issues where there is currently a lack of clarity about who is accountable for particular activities. The Panel is particularly concerned about the lack of clarity in accountability and responsibility in relation to:

- Assistance to vulnerable and at risk consumers: The accountabilities and governance arrangements for the targeted assistance programme for "vulnerable" consumers are not evident yet. The relationship between this and accountability and responsibility for Digital UK's work with "at risk" consumers is unknown. To ensure the smooth delivery to consumers the Panel advises that there is only one delivery mechanism covering both those eligible to the targeted assistance programme and other "at risk" consumers.
- Ensuring manufacturers develop and retailers make available, accessible, usable and affordable equipment: It is essential to delivering the benefits of digital TV to all yet there has been a distinct lack of progress to date. This is a strong example of where the lack of having one organisation clearly in charge is making progress difficult.
- Ensuring retailers and installers sell the equipment that is appropriate for consumers now and for the future.

14. The Panel is concerned that there is no transparency in the mechanisms of evaluating or reporting on performance. Who audits performance in relation to each area of responsibility? How is progress reported on and made public?

² DCMS & DTI (June 2006). *Government response to the Culture, Media and Sport Select Committee Session 2005-2006: Report on Analogue Switch-Off*.

15. Ofcom's paper suggests priorities with corresponding performance indicators used to measure progress. This is helpful but the indicators should be clearly stated, valid and comprehensive. For example, awareness of switchover should be measured regionally not nationally. Progress indicators must include measuring the impact of policies on vulnerable and at risk consumer groups. We recommend regular progress and priority updates alongside the quarterly digital TV take-up figures.

Other issues

Costs of DSO

16. Whilst the Panel does not believe there is an affordability problem overall with switchover, there will be particular households who will feel the costs of switchover particularly acutely. It is therefore important to have an accurate reflection of costs.
17. It is the Panel's view that the costs of switchover for consumers have been significantly underplayed. The costs are cumulative and should be communicated realistically to consumers. The Panel recommends that Ofcom ensure that its cost evaluations are up-to-date.
18. Whilst the Panel's estimate of costs was on a single-set conversion because we are concerned with ensuring basic availability to households, consumers will need to know the costs in relation to their current household requirements. It would therefore be helpful for the purposes of this paper if Ofcom provided costs for: one set; one set and recorder; and whole household conversion.

Availability of DTT

19. 1.5% of people will not have access to TV after switchover. Ofcom has communicated to the Panel that this 1.5% includes:
- Consumers who have good reception now but will lose it
 - Consumers outside of the existing 98.5% with TV access but who may already have satellite
 - Consumers who are currently outside 98.5% now but think they're in but counted as out because of poor reception.
20. The Panel is concerned that the paper gives this issue insufficient attention. We understand that Ofcom is currently working to identify where these households are. But when will it know this? How will consumers know if they cannot receive DTT? How can we ensure these consumers do not buy the wrong equipment? How will government respond when households realise they do not have access? What needs to be done about it?

21. We note that in its response to the Select Committee, Government states:

“...we recognise that some households may be faced with a switch of platform as the only option for continuing to receive television services. If Ofcom and Digital UK can identify any such households...we will consider with them what support might be needed.” (p3)

22. The Panel recommends that Ofcom gives an indication of when it will complete this work and make early suggestions about what can be done to assist households which cannot receive DTT.

Summary of advice

The Panel recommends that Ofcom:

1. Speedily publishes a hard-hitting evaluation of the progress of current activities, risks, scale of the problem and urgency that these issues present, giving greater emphasis where a lack of clarity has contributed to lack of progress.
2. Re-states the Panel's advice to the Secretary of State about addressing the needs of the socially isolated and the provision of financial assistance within the targeted assistance programme.
3. Highlights the inadequacy of the resources for Digital UK to deliver successfully and the need to ensure that HelpCo's resources are adequate.
4. Addresses the lack of accountability caused by the failure to have one individual in charge of the entire digital switchover programme. Includes the “chains of command” and accountability, particularly in areas where there are a number of organisations responsible. The Panel is particularly concerned about and wishes to see given greater prominence the issue about the absence of clear lines of accountability in the following areas: targeted assistance; retailers; accessibility and usability.
5. Publishes regular progress reports and priority updates alongside the quarterly digital TV take-up figures. Performance indicators used to evaluate progress should be clearly stated, valid and comprehensive. For example, awareness of switchover should be measured regionally not nationally. Progress indicators must include measuring the impact of policies on vulnerable and at risk consumer groups.
6. The Panel recommends that Ofcom ensure that its cost evaluations are up-to-date and provided costs for: one set; one set and recorder; and whole household conversion.
7. The Panel recommends that Ofcom gives an indication of when it will complete its analysis of households which will be unable to receive DTT and make early suggestions about what can be done to assist these households.