



# **Enhancing Stakeholder Engagement: An ICSTIS Consultation**

**A PUBLIC CONSULTATION**

**Issued by ICSTIS on 10 April 2007**

**The deadline for comment is 3 July 2007**

## Contents

<b>Section</b>	<b>Page</b>
A Message from Sir Alistair Graham	3
Executive Summary	4
1. Background to why stakeholder engagement matters	5
2. Our Key Stakeholders	7
3. Forms of Engagement	10
4. Measuring Success in Improving Engagement	13
5. Conclusion and Next Steps	14
6. Consultation	15
7. Summary of Questions	16
<b>Annex One</b>	<b>Public Consultation Principles</b>
<b>Annex Two</b>	<b>ICSTIS Forum: Terms of Reference</b>
<b>Annex Three</b>	<b>Industry Liaison Panel: Terms of Reference</b>

## A Message from Sir Alistair Graham

ICSTIS is going through a programme of change. In the consultation document for the ICSTIS budget for 2007/8 we outlined a strategic approach for an agenda for consumer protection based on three core themes. These are:

- a more proactive approach to industry engagement so ensuring that ICSTIS is better placed to respond to market developments in products, platforms and payment mechanisms thus minimising public harm and 'designing in compliance'. Strengthening the industry support and advice we provide is integral to this, as is making a closer link of the development of policy and standards to industry engagement in a variety of forms.
- a more proactive approach to using communication and education to empower consumers to protect themselves before problems occur, thus reducing a need for regulatory intervention.
- an enforcement agenda which, as well as reacting to issues, is also proactively driven and targeted on known areas of potential risk in the PRS market and uses effective monitoring tools to identify issues earlier in the product life-cycle, again minimising the potential for consumer harm and the consequential loss of trust in PRS.

Achieving this agenda, like any change programme, has its challenges and takes time. Action is in hand. The Executive has now been re-structured with this strategic agenda in mind. The governance of the Board, with a particular emphasis on how we can further professionalise the adjudication processes, is the subject of an ICSTIS consultation issued on 2 March 2007.

This consultation paper is a further step in the change programme. For the first time, we articulate our views about how and why we engage with a variety of stakeholders and why this is absolutely vital to delivering this agenda and our remit. This paper makes clear that engagement can take a variety of forms. It might be a chance meeting with an industry provider who shares information about forthcoming technological developments. Equally, it could be a full consultation on which wide stakeholder views are being sought. All forms of engagement matter.

As a public body in law we have particular responsibilities to ensure that legally we consult in a formal way to the standards expected. We believe we do that now and have set out (in Annex One) our principles which will guide us as we move forward. As part of this, we commit to undertaking impact assessments designed to assist us in making the best policy decisions having regard to the likely cost and benefits to different affected parties. This is something we have recently started and we expect to develop the process further.

It will be seen that, as part of our commitment to good regulatory practice, we have adopted the Better Regulation Criteria on formal consultation. In Section 4 of this paper, we also set out some indicative measures for identifying how we expect to progress in achieving success in delivering the objectives we set out in this paper.

The Board and I will be taking a personal interest in the outcome of this consultation and I very much look forward to reading your submissions in due course.



Sir Alistair Graham  
**ICSTIS CHAIRMAN**

## Executive Summary

Our vision is to ensure that anyone who uses a PRS can do so with absolute confidence. If we are to deliver this vision, we have a responsibility to all stakeholders to:

- provide information about our work and our future regulatory plans
- raise awareness about the work of ICSTIS and the industry we regulate, thus providing an opportunity to build consumer trust in PRS
- educate consumers about PRS so that they are best able to protect themselves and their children from possible problems that can arise
- set standards for the regulation of PRS which meet the test of good regulation
- support industry and others when developing and operating services, and assist them in being compliant with the ICSTIS Code of Practice, thus preventing problems from arising which could generate consumer complaints and so undermine trust in PRS.

Good stakeholder engagement and consultation are a prerequisite to good regulation and the Better Regulation Commission principles. Engagement should not be a bureaucratic exercise. We need to have a genuine dialogue with stakeholders about the impact of proposals. This should help prevent disproportionate burdens being imposed, and help to identify any possible unintended consequences of proposals at the earliest possible stage. Good engagement and consultation should ensure that evidence-based policy making becomes a reality, which, in turn, will help foster greater trust that the engagement and consultation processes, and responses to it, are taken seriously.

We believe that stakeholder engagement and consultations should be meaningful and open to all stakeholders' views. Written documents should be easy to understand by being concise and must be issued in good time in the policy-making process to allow as wide a range of stakeholders as possible the opportunity to make a considered response.

To this end, as part of the re-structuring of ICSTIS' Executive undertaken in early 2007, one driver for that change has been to create a dedicated function which has a priority for the provision of industry support and engagement.

Stakeholder engagement should also be ongoing and tailored to the needs of different stakeholder groups. Section 2 of this document examines who the key stakeholder groups of ICSTIS are and what we believe they are looking to obtain from us. Section 3 goes on to examine the forms of engagement that we expect to provide to these groups, either collectively or in a tailored fashion. Section 4 looks at how we will try and measure the success of engaging stakeholders in improved ways and Section 5 considers the next steps following the issuing of this consultation paper.

# Section 1

## Background to why Stakeholder Engagement Matters

### Background

ICSTIS is the regulatory body for premium rate services (PRS). The Board consists of up to twelve members, all appointed in their individual capacities. Currently up to three members of the Board have contemporary industry knowledge but play no role in making adjudications<sup>1</sup>. ICSTIS is committed to a co-regulatory approach to regulation and endeavours to work closely with the premium rate industry to ensure that its regulation meets the principles of good regulation. Wherever possible, we draw on the support of industry in ensuring that compliance with the Code, along with our vision and mission, is achieved. ICSTIS is a non-profit making limited company. The Board is supported by a permanent Executive.

### Our Vision

Our vision is to ensure that anyone who uses a PRS can do so with absolute confidence. In pursuit of this vision, we have created the ICSTIS Code of Practice, which sets appropriate standards for the promotion, content and overall operation of PRS. We advise providers of premium rate services on compliance with the Code and investigate complaints about those services which appear to be in breach of it.

If we are to deliver this vision, we have a responsibility to all stakeholders to:

- provide information about our work and our future regulatory plans through an effective dialogue, supported by formal consultation mechanisms. The means by which information is shared may be varied, as is set out later in this document.
- raise awareness about the work of ICSTIS and the industry we regulate, thus providing an opportunity to build consumer trust in PRS through assisting consumers to understand how they can protect themselves and what to do if concerns or problems arise.
- educate consumers about PRS so that they are best able to protect themselves and their children from possible problems that can arise. An example here is the recent launch of the children's website, Phonebrain – [www.phonebrain.org.uk](http://www.phonebrain.org.uk). We recognise that, for the most part, the provision of educational tools should be undertaken with stakeholders who are best able to reach consumers. This will usually be industry and we encourage the collaborative efforts from companies who appreciate the need to educate their consumers and work in partnership with us. Recent examples have included some mobile operators who have committed to making available ICSTIS consumer literature to their customers through retail outlets.
- set standards for the regulation of PRS which meet the test of good regulation. In order to achieve this, an effective approach to ongoing dialogue and fully considered consultations which are evidence-led and supported by business impact assessments are a prerequisite.
- support industry and others when developing and operating services, and assist them in being compliant with the ICSTIS Code of Practice, thus preventing problems from arising which could generate consumer complaints and so undermine trust in PRS.

**Q1. Do you agree with the responsibilities we have outlined above? If not, why not?**

### Why stakeholder engagement matters

Good stakeholder engagement and consultation are a prerequisite to good regulation and the Better Regulation Commission principles, which are that regulators and regulations should be:

---

<sup>1</sup> The governance arrangements of the Board of ICSTIS and, in particular, the Board's role in adjudications are undergoing a review which is the subject of a separate consultation issued by ICSTIS on 2 March 2007.

- proportionate – to the concern or identified consumer harm
- targeted – on the problem area
- consistent – in their application to all parties and across regulatory boundaries with others, such as Ofcom, ASA, OIC, OFT, Gambling Commission, FSA, etc
- transparent – so that regulated parties and others clearly understand the reasoning behind the need for regulation, and
- accountable – to those who benefit from regulation including Parliament, through Ofcom.

Engagement should not be a bureaucratic exercise. We need to have a genuine dialogue with stakeholders about the impact of proposals. This should help prevent disproportionate burdens being imposed, and help to identify any possible unintended consequences of proposals at the earliest possible stage. Good engagement and consultation should ensure that evidence-based policy making becomes a reality, which, in turn, will help foster greater trust that the engagement and consultation processes, and responses to it, are taken seriously.

We believe that stakeholder engagement and consultations should be meaningful and open to all stakeholders' views. Written documents should be easy to understand by being concise and must be issued in good time in the policy-making process to allow as wide a range of stakeholders as possible the opportunity to make a considered response. Stakeholder engagement is also critical to the "philosophy" outlined in support of the ICSTIS budget consultation for 2007/8. A key here is to find ways to better engage industry to prevent harm before it arises, so building consumer trust in PRS. In order to do this, we need to target resources at:

- educating and informing the public about PRS and how people can take simple steps to prevent problems without the need to resort to a regulator or other body
- build and design in compliance through the encouragement of greater and closer dialogue with industry providers of services wherever in the value chain, and
- deliver timely and high-quality adjudications through a robust and professional process.

To this end, as part of the re-structuring of ICSTIS' Executive undertaken in early 2007, one driver for that change has been to create a dedicated function which has a priority for the provision of industry support and engagement. Over the coming months, and as ICSTIS finalises its operational plan for 2007/8, what will become apparent is that the work of this team will be focusing to a considerable degree on how industry engagement, from the informal to formal, can be improved, thus making for a more proactive organisation which is developing regulatory standards to a higher standard of good regulatory practice.

Stakeholder engagement should also be ongoing and tailored to the needs of different stakeholder groups. Section 2 of this document examines who the key stakeholder groups of ICSTIS are and what we believe they are looking to obtain from us. Section 3 goes on to examine the forms of engagement that we expect to provide to these groups, either collectively or in a tailored fashion. Section 4 looks at how we will try and measure the success of engaging stakeholders in improved ways and Section 5 considers the next steps following the issuing of this consultation paper.

## Section 2

# Our Key Stakeholders

We have identified six key stakeholder groups to whom we have specific responsibilities. These are (in alphabetical order):

- consumers and those who represent them
- Government and other regulators/enforcement bodies
- industry
- legislators/parliamentarians
- media
- Ofcom

We set out below what we believe each primarily requires from us.

Despite the different perspectives and needs of these different stakeholder groups, we believe that there are some general requirements and needs that all stakeholders share. These are:

- clarity of purpose – we should be clear about what we do and how we deliver it. We develop and enforce a Code of Practice and support industry with compliance, we assist consumers in a variety of ways through education and information, and have a public service responsibility to assist in building trust in PRS. We provide support to other stakeholders as outlined below.
- responsiveness to needs – we need to recognise the needs of stakeholders and find ways that best respond to them in a timely and efficient manner, which is practical and consistent with good regulation.
- professional approach – we should be professional in all our dealings with all stakeholders.
- impartiality – we should draw on objective information and evidence in support of the decisions we reach, and have a governance structure that ensures we remain impartial in all decision-making.
- operate in a way that engenders the principles of good regulation – we should be accountable, proportionate, targeted, transparent and consistent in all that we do.

### ***Q2. Do you agree that all stakeholders require these things from ICSTIS. Are there other requirements which are generic to stakeholders?***

As well as these general requirements, we think that each stakeholder group will have some more specific needs. We set out below what we believe these are:

#### **Consumers and those who represent them**

Consumers need to have confidence in PRS. The market will not grow unless they do. Consumers need to understand how PRS operate and what is involved in using them, including cost issues. They need to understand how to protect any vulnerable members of their household and steps they can take to do this. If they have an inquiry or complaint, they need straightforward mechanisms for having it handled and they need certainty about who will be doing this. If they have a complaint, they need to have confidence that the body handling it will be efficient and effective in dealing with the matter, keep them informed about progress with it and they need to trust the body to handle the matter in an objective way. Finally, if they are entitled to a refund, they should have confidence that, if demanded, this will be provided.

Those who represent the views of consumers need to have confidence that ICSTIS will act in an impartial way, and has a remit and focus on protecting consumers. They need to understand the proper scope of ICSTIS' jurisdiction, and they need to feel confident that the views they express

to ICSTIS will be properly considered and acted upon when objectively justified and where not to do so would run counter to good regulation.

### **Government and other regulators/enforcement bodies**

Civil servants and Ministers require a clear understanding of ICSTIS' remit and purpose. They need to be satisfied that ICSTIS has the right powers to act in the public interest and is proportionate in their application and effective in meeting its goals. During the normal activity of Parliament scrutinising the government function, such as through MPs raising Parliamentary Questions, ICSTIS will support the relevant Department with timely and accurate advice and input when requested.

Other regulatory bodies also need to be clear about the regulatory scope of ICSTIS and know what and how they can refer issues to ICSTIS. They should have confidence that ICSTIS will deal with cases appropriately and keep them informed as to its handling of the matter.

There are occasions when other enforcement bodies – Trading Standards, the OFT or the police, for example – may also use their powers to bring enforcement actions against providers involved in the value chain of PRS. In these circumstances, ICSTIS may be asked to provide information or advice in order to support such action and, where it is requested, such co-operation should be provided with timely support. These bodies will also expect to have any information request treated in confidence by ICSTIS.

Finally, it is incumbent on ICSTIS to work with other regulatory bodies to ensure that, where regulatory overlaps occur in PRS, these are understood and, where possible, regulatory double jeopardy issues are minimised.

### **Industry**

The term 'industry' has a broad meaning and includes providers in the telecoms value-chain such as service providers, bureaux, aggregators, content and information providers, and mobile and fixed networks. Content and delivery channels widen the term further to also include production companies and broadcasters, as well as niche providers of services for different communities of interest. In general, industry is likely to focus on the regulatory functions and how far these meet the test of good regulation as outlined on pages five and six of this paper. Industry will be concerned with the need to stop problems that can have the effect of undermining trust in PRS as this damages legitimate business interests. It will also be concerned to ensure regulation provides value for money and some providers have legitimate brand equity that they will also be concerned to preserve.

Businesses will equally be concerned if the approach to regulatory risk is so stringent as to make the provision of PRS uneconomic. Regulation should foster competition but deter activity which could be judged as unfair or likely to result in complaints or criticisms. Finally, when regulatory action is required to prevent detriment or harm, industry will want that action to be swift and effective, again so that consumer trust in PRS is not eroded.

As the funders of the regulatory regime, the industry will be concerned that ICSTIS acts in a way that demonstrates value for money. It will also be concerned that the arrangements for collecting monies and agreeing budgets are transparent and subject to appropriate scrutiny.

### **Legislators/parliamentarians**

Parliamentarians have two particular interests with respect to the regulation of PRS:

- in holding the Government to account, they satisfy themselves that the various organs of the state involved in protecting their constituents and consumers are fit for purpose. While not strictly an 'organ of the state', ICSTIS nevertheless, as a public body in law with powers delegated to it by Ofcom through the approval it gives to the Code, needs

to be fit for purpose. Through Ofcom, the DTI and the DCMS, ICSTIS needs to account for its actions when challenged by parliamentarians.

- as legislators, parliamentarians need to ensure that, when they are creating or amending legislation, they do so in a way that delivers appropriate consumer protection, as this is judged within the prevailing political climate.

### **Media**

The media expect bodies such as ICSTIS to provide them with information when reasonably requested. A free press and media will want to report a variety of activities to their audience. Our starting point should be to be open wherever possible, taking care to provide accurate information which reflects accurately the actions or investigations we may have in hand. We also need to preserve confidential information about individual consumers, unless consent has been given to allow their details to be released to the media.

The media usually work to very tight deadlines and so need to be provided with comprehensive information in a timely manner so that they may accurately report news items which emanate from the PRS sector.

### **Ofcom**

Ofcom and ICSTIS have entered into a Memorandum of Understanding (MoU) which establishes the framework and the shared principles both parties will follow, thus ensuring efficient and effective regulation by ICSTIS based on providing value for money and operating in accordance with the principles of good governance. Ofcom and ICSTIS must work together if they are to ensure that the co-regulatory regime adopted for PRS is effectively enforced, and that a culture of compliance is maintained among all stakeholders. Ofcom expects ICSTIS to take responsibility for the operational arrangements for the regulation of the industry, through publication and enforcement of its Code. Ofcom creates the framework through its role in recognising the Code, approving the ICSTIS Budget and supporting Activity Plan, and by continuing to provide backstop powers for the enforcement regime through the PRS Condition.

The MoU between Ofcom and ICSTIS seeks to reflect the scope, nature and operation of the co-regulatory relationship between the two organisations. In particular, the document is intended to clarify:

- the respective roles and duties of both parties in the regulation of PRS
- the activities to be carried out by both parties to support each other in respect of each other's role in the regulation of PRS
- the framework for effective communications between them, and with third party stakeholders
- measures required to ensure good value, effective regulation and good governance.

***Q3. Do you agree with our assessment of the needs and the specific stakeholder groups identified above? If not, where do you disagree and why?***

## Section 3

# Forms of Engagement

The forms of engagement with stakeholders will vary to some extent having regard to their needs, as outlined in Section 2. We believe there are some forms of engagement about which all stakeholders have concern. These are set out below. We then follow with a detailed assessment of engagement, taking each stakeholder in turn.

### GENERAL FORMS OF STAKEHOLDER ENGAGEMENT

#### Public consultation

In 2004, the Better Regulation Executive<sup>2</sup> produced a code of practice on how to consult more effectively. Listed in the code are six consultation criteria that we expect to adopt. We have listed them in Annex One, together with an explanation of how we expect to meet them.

#### Website

We will maintain a website, and make available and publish on it all information relevant to our work and our regulations. We will strive to make the website accessible to the general range of users, and we will order the content in a way that users find clear and beneficial. We will minimise the need to search for information generally and specifically for areas that we know to be popular for viewing/downloading. The website will contain feedback forms about its content and structure, and we will respond to feedback as best we can and continue to develop the site so that users find it helpful and clear. We will also promote the e-alert system on the website so that those with an interest can be kept informed and updated on new information placed on the website.

#### *Q4. How could we improve our engagement through the ICSTIS website?*

#### Publications

We will continue to produce a variety of publications, some targeted at specific audiences, such as consumers or industry, and some more generic. We will produce an Annual Statement setting out priorities for the year ahead. This will be aligned to the agreed budget. We will produce an Annual Report, which will outline the main areas of our work in the last year and report on our financial position in that same period. We will make the Code of Practice widely available in both paper and electronic formats, as well as being downloadable on the website. We will produce bespoke publications and literature (including research) as and when necessary and when in keeping with our broad objectives and strategy.

We will continue to publish (on the ICSTIS website) full adjudications arising from investigations made by ICSTIS, as well as publishing summaries of all ICSTIS Board meetings.

#### ICSTIS Forums

We will continue to hold ICSTIS Forums at least three times annually which will be open to all stakeholders to attend as advertised on the ICSTIS website. We will continue to evaluate the effectiveness of these events, through feedback questionnaires from participants, and adjust them in accordance with clearly expressed views about how they may be improved. We will hold at least one of these three meetings away from London. The Terms of Reference for the Forum are attached at Annex Two.

---

<sup>2</sup> The Better Regulation Executive's website can be found at [www.cabinetoffice.gov.uk](http://www.cabinetoffice.gov.uk).

### **Annual meeting for stakeholders**

We plan to time the launch of the ICSTIS Annual Report 2007 (and thereafter) with an open meeting at which any stakeholder can attend. The open meeting will include a question and answer session for all participants.

### **SPECIFIC FORMS OF STAKEHOLDER ENGAGEMENT – APPLICABLE PER STAKEHOLDER GROUP**

#### **Consumers and those who represent them**

We would expect to:

- produce consumer literature and information that assist consumers in understanding how PRS operate and how they can protect themselves. Where appropriate, we would expect to develop such information with third parties who have existing relationships with consumers and are better and more effectively able to assist us in communicating and educating them. Specifically, we think here of Originating Communication Providers, who have contractual arrangements with consumers and provide ongoing consumer advice materials.
- provide a clear website with consumer information and tools designed to assist consumers in resolving their enquiries quickly.
- provide an efficient and effective Contact Centre for consumers to use in order to obtain more information about PRS.
- engage and periodically meet with bodies, such as the NCC, Consumer Direct, CABx, the OFT and Trading Standards, to ensure that we understand any policy concerns that these organisations have with the delivery of PRS and consumer protection in the wider sense.
- work with Originating Communication Providers and others to assist in ensuring their customer-facing staff have the right processes and referral arrangements to ensure the interface with ICSTIS works effectively.

#### **Government and other regulators/enforcement bodies**

We would expect to provide:

- timely advice on areas of public policy concern which impact on the regulation of PRS.
- intelligence and information in relation to ongoing investigations by other enforcement agencies in the area of PRS.
- advice and assistance to civil servants who are drafting response to Parliamentary Questions about matters relating to the regulation of PRS.
- hold regular meetings to ensure any issues of shared interest are properly considered.

#### **Industry**

We would expect to:

- stay abreast of technological and commercial developments within the industry as they may come to affect the regulation of PRS.
- meet industry players (individually or collectively) to discuss areas of interest with the regulation of PRS and the provision of particular services.
- meet quarterly with the established trade bodies in the sector as part of the wider remit of the Industry Liaison Panel (Terms of Reference at Annex Three).
- meet with trade bodies and others as and when they make reasonable requests for such meetings with ICSTIS Executive or Board members.
- attend trade shows and, where appropriate, give talks about the work of ICSTIS.
- undertake industry visits to providers of PRS in different segments of the value chain.
- work with different sectors of the industry – such as mobile – to develop bespoke solutions and co-operation on areas of mutual interest to customers and consumers.
- support industry initiatives where they are found to be, or likely to be, beneficial to consumers of PRS.

### **Legislators/parliamentarians**

We would expect to:

- keep parliamentarians apprised of our work and of any issues which are likely to affect their constituents.
- keep parliamentarians apprised of the effectiveness of the regulatory regime for PRS and the implications for its effectiveness as a consequence of planned legislative changes emanating either from the UK or EU.
- respond to MPs' requests for advice and information following correspondence that they may receive from constituents.

### **Media**

We would expect to:

- provide timely and clear information to journalists requesting information in relation to a PRS or the sector more generally.
- publish in a user-friendly manner comprehensive information about the adjudicatory functions of our remit, including clarity about responsibility for the provision of the service in the value chain.

### **Ofcom**

We would expect to:

- keep Ofcom officials informed as to the co-operation and agreed actions arising from the MoU with Ofcom.
- keep Ofcom apprised of regulatory issues arising which could impact on consumers and industry.
- maintain an effective dialogue between the two organisations' Contact Centres to minimise consumer confusion when contacting either party about a matter which could affect both Ofcom and ICSTIS.
- maintain a dialogue about new technological or commercial changes in the market which could impact on the scope or effectiveness of the regulatory regime.
- maintain an effective means of escalating compliance matters to Ofcom where appropriate.
- develop an annual budget for ICSTIS funding which is subject to sufficient checks by Ofcom as to its appropriateness.

### ***Q5. Are there any stakeholder expectations that we may have overlooked?***

For engagement to be effective, it needs to be two-way with those who may be affected by the decisions we take. Timely, constructive, factual and evidence-based input will aid ICSTIS in taking decisions which are in the best interests of all those potentially affected by what we do and decide.

## Section 4

# Measuring Success in Improving Engagement

If good stakeholder engagement and consultation matters to us and we see it as a prerequisite to good regulation, we must also satisfy ourselves that we are making measurable progress in delivering improvements in the way in which we engage. Measuring success in this area has no one simple methodology. Instead, we think it will be made up of a combination of ways in which measures of success can be achieved. We set out below the seven ways in which we plan, on an annual basis, to evaluate success in enhancing engagement with all stakeholders.

### **Stakeholder perception audit undertaken by an independent third party**

We commit to undertake an annual stakeholder perception audit, carried out by an organisation with expertise in this area. The audit will encompass stakeholder groups in industry, Ofcom, DTI/DCMS, Parliament and media, as well as consumer bodies. It will be designed to test perception of how we are engaging with them in order to deliver our vision. We will take the outputs from this, along with any recommendations, and feed them into future annual activity plans.

### **Consumer research**

Our vision is to ensure that anyone who uses PRS can do so with absolute confidence. We need to benchmark the levels of consumer confidence in PRS through objective research and use that research to understand the key barriers to any lack of confidence. ICSTIS will need to consider how far regulation and the setting of different standards for PRS should or could be altered, having regard to full consultation and an impact assessment, to help build confidence.

### **Service feedback**

All complainants to ICSTIS, as well as applicants for permission to operate PRS, are asked to complete a questionnaire at the outcome of the case/application on how our service should be rated. This information will continue to be taken into account in shaping the provision of our service across these areas. The Board will be provided with periodic updates on this data, along with recommendations from the Executive as to how the service can be improved.

### **Website feedback**

The ICSTIS website provides a route for service users to give us feedback about ICSTIS in general and the website in particular. This data will be aggregated on a periodic basis and presented to the Board with any recommendations for change as a consequence of the feedback provided.

### **ICSTIS Forums**

At each ICSTIS Forum we seek feedback on the effectiveness of the Forum, along with suggestions for change. We will consider all the feedback we receive and take this into account in terms of the provision of future events.

### **ICSTIS Quarterly newsletter**

From time to time, we will undertake reader sample surveys to gather information about how far the *ICSTIS Quarterly* publication provides editorial content that meets the needs of readers.

### **Industry Liaison Panel (ILP)**

We will work with ILP members in helping it to meet its agreed Terms of Reference which are set out in Annex Three. We will take feedback on an ongoing basis to try and ensure that we are playing our part in making ILP an effective body, recognising that its overall effectiveness rests as much with the industry members as it does with ICSTIS' engagement with it.

***Q6. Are there other measures that would contribute to benchmarking our success in improving stakeholder engagement?***

## **Section 5**

### **Conclusion and Next Steps**

ICSTIS will give full consideration to the responses to this consultation and thereafter issue a statement confirming, and where necessary modifying, our proposals for enhancing stakeholder engagement through 2007 and beyond.

As is made clear in Section 4, we see it as necessary to deliver on improved engagement and, in order to achieve this, we need to benchmark and measure progress. This therefore means that we will also be putting in place mechanisms to benchmark consumer trust in PRS. At the same time, we will commission an independent stakeholder perception audit in order to benchmark, among other things, what progress it is that stakeholders perceive we are making in the area of engaging with them so that we may deliver our vision and objectives in ways that meet multiple stakeholder needs.

## **Section 6**

### **Consultation**

We are seeking the views of all stakeholders on the proposals and questions contained in this paper by no later **than 3 July 2007**. Where possible, comments should be submitted in writing and sent by e-mail to: [pwhiteing@icstis.org.uk](mailto:pwhiteing@icstis.org.uk). Copies may also be sent by mail or fax to:

Paul Whiteing  
Director of Policy & Innovation  
ICSTIS  
Clove Building  
4 Maguire Street  
London SE1 2NQ

Tel: 020 7940 7405  
Fax: 020 7940 7456

If you have any queries about this consultation, please telephone or e-mail Paul Whiteing using the above contact details.

#### **Confidentiality**

We plan to publish the outcome of this consultation and to make available all responses received. If you want all or part of your submission to remain confidential, you must make a specific request for this, along with your reasons for making the request.

## **Section 7**

### **Summary of questions**

Set out below are the questions raised through this consultation paper:

***Q1. Do you agree with the responsibilities we have outlined above? If not, why not?***

***Q2. Do you agree that all stakeholders require these things from ICSTIS. Are there other requirements which are generic to stakeholders?***

***Q3. Do you agree with our assessment of the needs and the specific stakeholder groups identified above? If not, where do you disagree and why?***

***Q4. How could we improve our engagement through the ICSTIS website?***

***Q5. Are there any stakeholder expectations that we may have overlooked?***

***Q6. Are there other measures that would contribute to benchmarking our success in improving stakeholder engagement?***

Annex One:

***Q7. Do you agree that we should adopt these six criteria for consultation purposes? If not, why not?***

## Annex One

### Public Consultation Principles

In 2004, the Better Regulation Executive<sup>3</sup> produced a code of practice on how to consult more effectively. Listed in the code are six consultation criteria that we expect to adopt. We have listed them below, together with an explanation of how we expect to meet them.

***Criterion 1: Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy.***

We recognise that consultation is a continuous exercise that needs to be started early in the policy development process. It is not just about producing a consultation document but actively engaging with stakeholders through a continuous plan of meetings. This includes pre-consultative meetings and post-consultative meetings. Informal consultation with stakeholders prior to any written consultation not only leads to a more informed consultation exercise but also ensures that stakeholders are engaged early and have a better understanding of the policy objectives being sought.

We will try to:

- involve, as far as possible, all those whose voices need to be heard, whether big companies or small ones, industries, consumer and community groups or individuals.
- explain fully the different options that we are considering before we make our decision.
- help those with views to respond fully and in an informed way, and listen to those responses and use them to help understand the effect of any action we take.

We will also try to:

- do this clearly and openly so everyone can see what is happening, when and why.
- deliver value for money by making sure the cost to us of running the consultation process is not too high, and avoid taking too much time as the premium rate industry we regulate changes quickly.

#### **How formal consultation will work**

We will usually run each consultation with a full published document asking for the written responses of people and organisations who want to give us their views.

As well as asking people for written responses to formal consultations, we will also do the following:

- We will use research, where available and cost-effective, better to understand the views, needs and behaviour of people and organisations involved in or concerned about the PRS industry. We particularly want to reach smaller companies and organisations which normally struggle to get their opinions heard. Research may be based on surveys and opinion polls. Other studies may be based on techniques such as focus groups. Others may use a balance of both.
- We will speak regularly to a number of different people and organisations in an informal way to help us understand their concerns. These informal discussions will apply, as well as – not instead of – the formal consultation process. They will give us a snapshot of industry and consumer views. We can then ‘test the ground’ before issuing formal consultation documents. We expect to do this through a mixture of informal meetings and ongoing Industry Liaison Panel (ILP) meetings.

---

<sup>3</sup> The Better Regulation Executive’s website can be found at [www.cabinetoffice.gov.uk](http://www.cabinetoffice.gov.uk).

- We will communicate as widely as possible throughout each consultation. This will involve:
  - holding as many face-to-face meetings as possible in the time available
  - using our website ([www.icstis.org.uk](http://www.icstis.org.uk)) to gather feedback online and to provide detailed background information
  - briefing the media using news releases and so on
  - communicating directly through the media by writing articles for magazines and newspapers.

We will make sure we keep accurate records of discussions which help us to understand the issues involved. But we will also respect the confidentiality of our sources and will not reveal details if we have agreed to keep discussions private.

We don't just want to know whether people agree or disagree with our proposals. We also want to know why people hold the views they do.

Wherever possible, we would like people to back up their statements with evidence. We also encourage membership groups, such as trade associations and consumer and community groups, to explain exactly whom they represent.

### **Shorter consultations**

There will sometimes be circumstances that require a consultation period of less than 12 weeks. We will try to avoid this wherever possible. In those cases, we will usually aim to allow five weeks. However, the time may vary depending on the issue.

Consultations may be shorter than 12 weeks if:

- the issue or community involved is small or only affects a particular group which has been identified ahead of time
- a proposal will have a limited effect on a market
- a proposal is only a limited amendment to existing policy
- an issue needs to be looked at urgently
- re-consultation takes place on the basis of amendments made in the light of earlier consultation.

Where a consultation period is less than 12 weeks, we will highlight this in the consultation document, and we will also explain our reasons for this and the extra efforts taken to ensure that the consultation is as effective as possible.

### ***Criterion 2: Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses.***

We will always ask focused questions and be clear about the areas of policy on which we are seeking views. Responses that do not refer to the specific questions asked will always still be accepted.

We will always explicitly state any assumptions made about those who are likely to be affected by the proposed policy and will encourage respondents to challenge these assumptions.

As far as possible, our consultations will be completely open, with no options ruled out. However, if there are things that cannot be changed because, for example, they are part of a European Directive, we will make this clear.

We will clearly state the deadline for responses on the front page of the consultation document. The document will also explain any alternative ways of contributing to the consultative process.

***Criterion 3: Ensure that your consultation is clear, concise and widely accessible.***

We will always strive to use plain language and, as far as possible, avoid jargon and only use technical terms where absolutely necessary. We believe that a consultation should be as accessible as possible and will always explain complicated concepts as clearly as possible.

We will always provide an executive summary to any written consultation document that covers the main points. Even if the document is technical, we will ensure that the executive summary is accessible to all. Our goal is to ensure that, having read the executive summary, consultees should be in a position to decide whether the consultation is relevant to them and whether they need to read further.

We will always ensure that any consultation documents are available in paper format on request and we will make them be available on the ICSTIS website from the day that the consultation is launched.

We will encourage respondents to respond electronically if they can. We will ensure that the range of electronic response methods provides for a simple process that engages a broad range of people and encourages deliberation. We will also accept written responses.

***Criterion 4: Give feedback regarding the responses received and how the consultation process influenced the policy.***

All responses received by ICSTIS will be carefully and open-mindedly analysed. Particular attention will be given to representative bodies, such as business associations, voluntary and consumer groups, and other organisations representing groups especially affected.

We will always pay particular attention to:

- possible new approaches to the questions consulted on
- further evidence of the impact of the proposals
- strength of feeling among particular groups.

We will aim to publish the summary of responses and potential outcomes within three months of the closing date of the consultation. Our summary will give an analysis of the responses to questions asked: for each question there will be a summary of responses to that question and an explanation of how it is proposed to change the proposal in light of the responses received.

The summary statement we publish will also include a summary of the next steps for the policy, including reasons for decisions taken.

***Criterion 5: Monitor your department's effectiveness at consultation, including through the use of a designated consultation co-ordinator.***

All our consultations will be evaluated for effectiveness, looking at the numbers and types of responses, whether some methods of consultation were more successful than others, and how the consultation responses clarified the policy options and affected the final decision. The Director of Policy & Innovation will act as the ICSTIS consultation co-ordinator.

***Criterion 6: Ensure your consultation follows better regulation best practice, including carrying out a Regulatory Impact Assessment if appropriate.***

When consulting on a review of a policy area, we will ensure:

- consideration is given to opportunities for reducing bureaucracy and regulatory burdens – for example, simplification or withdrawal of existing regulations
- that we conduct, if possible, an impact assessment highlighting the potential costs, benefits and risks of the proposal
- where it seems feasible, consider alternatives to regulations and encourage respondents to suggest alternatives when responding to the consultation exercise
- consider any unintended consequences of the proposal and ask respondents to highlight these in their responses
- that we ask about the practical enforcement and implementation issues of our policy, including asking respondents for alternative approaches to implementation..
- that the Principles of Good Regulation are followed whenever policy is being developed. These are: proportionality, accountability, consistency, transparency and targeting.

***Q7. Do you agree that we should adopt these six criteria for consultation purposes? If not, why not?***

## **Annex Two**

### **ICSTIS Forum: Terms of Reference**

Created in 2002, the Forum's Terms of Reference are as follows:

“The Forum will act as a source of information to ICSTIS on commercial and technological developments which may have an impact on the regulation of premium rate services. ICSTIS will also use it as a means of communicating with stakeholders on changes and developments of which it is aware and on which it seeks views or comments. Participants may also use it as a means to raise issues of regulation of premium rate services.”

Attendance is open to anyone wishing to register for attendance as we notify each event during the year via the ICSTIS website.

## **Annex Three**

### **Industry Liaison Panel: Terms of Reference**

#### **Membership**

Meetings will be open to one representative from each of the trade bodies accepted for membership by ICSTIS. The nominated trade body attendee should be in good standing with ICSTIS and should not have direct company association with any service provider or network whose breach record with ICSTIS is such that their membership of the Industry Liaison Panel (ILP) would undermine its integrity. Such matters will be judged on their merits by the collective membership of the ILP and ICSTIS. In addition, the meeting will be open to BT plc due to its position in the UK communications industry.

ICSTIS may also at its discretion appoint up to four other associate industry members active in the delivery of PRS from among service or content providers where trade body representation does not sufficiently reach those particular sectors – for example, among broadcasters who are engaged in the use of PRS. These four members will not be permanent members of the Panel and will be rotated over time having regard to the needs of ICSTIS and ILP, and to ensure a balance of discussion with the widest range of interests.

The Chairman will be appointed by the membership and be from industry. The appointment shall be for a period of one year. The membership shall also include some representatives from ICSTIS' Board, including at least one from industry, and from the Executive.

ICSTIS will provide the Executive/administrative support, including note-taking and distribution, as well as meeting space.

#### **Role**

- To consider and advise ICSTIS on issues relating to the development of regulation of the premium rate industry, especially with regard to the role that the various commercial stakeholders have in the facilitation of PRS.
- To advise ICSTIS on the general effectiveness of the Code of Practice. To provide comments on the effectiveness and workings of the Code of Practice with a view to strengthening trust and confidence in the provision of PRS.
- To act as a forum for ICSTIS to raise and inform on matters relevant to all commercial stakeholders.
- Annually, to receive and comment on a presentation of the ICSTIS budget when ICSTIS consults with all stakeholders, including service provider funders.
- To consider and advise ICSTIS on suggestions for improvements to the collection arrangement for the ICSTIS levy, fines and administrative charges.
- To receive updates on the operational effectiveness of the ICSTIS Contact Centre and discuss means of improving the signposting arrangements between networks, ICSTIS and other relevant bodies to ensure a successful customer experience in relation to PRS and related customer information, support and advice. To identify trends in complaints and Contact Centre activity with a view to early identification of concerns and pre-emptive solutions.
- To act as a forum where matters relating to consumer information and education about PRS via telephone bills and other mechanisms can be discussed and agreed.

**Frequency of meetings**

The ILP will normally meet at quarterly intervals. Meetings of sub-sets of the main membership of the ILP may also be convened on an ad hoc basis where such a meeting would be desirable to either ICSTIS or commercial stakeholder members, or a sub-set thereof. Membership of such meetings may be extended to others who are not ILP members where it is deemed desirable to do so and where the expertise of those others is generally recognised to be of benefit to the task or issue in hand.

**Reporting of meetings**

Notes of the meetings (and any sub-Panel meetings) will be circulated with any papers for subsequent meetings and be provided to the ICSTIS Board. They will also be published on ICSTIS' website. The annual ICSTIS Activity Report will contain a summary report of the work of the ILP in the preceding year.