

Consumer Focus Board

Paper 4.1

Title: CEO Report
Purpose: For information
Date of meeting: 6 July 2010
Responsible officer: Mike O'Connor
Prepared by: Mike O'Connor and SMT
Attachments: Directorate Reports

1 Overview

- 1.1 My work in the period since the last Board meeting has been dominated by two issues
- 1.2 Firstly the need to identify a 12% in year budget cut. We consulted with staff on how to make savings and received 74 suggestions from 29 staff. I regard this as a good level of response. We responded to all the suggestions and took up a good number of them. The SMT met on 17th June and identified a list of savings. I am grateful to SMT for this work which has necessarily been done at speed and for maintaining unity in these difficult times. I am particularly grateful to Graham Clark who was central to this work at a time when he and his team have been very busy with the Annual Report and Accounts. The Finance team will have a good deal of work to do to actually deliver the savings we have identified and we are also having to deal with a plethora of newly imposed rules from central Government on what we can and cannot do and what needs clearance with BIS and HMT. The savings will be painful but we may well face even more painful cuts next year.
- 1.3 Secondly, we have been working closely with Government on the findings of the review of the Consumer Landscape. The actions which Government take following this review, which we welcomed, will be critical to the future of Consumer Focus. The decision to make significant cuts in public expenditure across the public sector means that there is a strong and urgent imperative for Government to take the lead in consolidation and rationalisation of consumer/competition/regulation bodies – and in particular to will into being a broad based consumer body which can be more effective and efficient in empowering consumers to prosper in the private and public market and in strengthening the best of our businesses. We had a good meeting with the Consumer Minister, Ed Davey, and he attended and spoke at one of our Postal Strategy Workshops. Given plans on Royal Mail are being taken forward, this area of our work will be especially important over the next few months.
- 1.4 We have been working hard on our Annual Report and Accounts over the last period and I am glad to report that they are in good order. Our expenditure fell from £36m in 2008/9 to £24m in 2009/10 and will fall further in 2010/11. We are seeing the efficiency gains from the merger of NCC, Postwatch and Energywatch which formed Consumer Focus.

- 1.5 On 29th June we had the response from OFT on our Super Complaint on Cash ISAs. Although we do not get everything we wanted, we have achieved a victory for consumers which should see them gain an amount greater than the amount which it costs to fund core of Consumer Focus. My thanks to all those involved in this successful work. We will need to digest the OFT response, especially the reference to read across to other financial products and to reflect generally on what we have learned from the process in terms of future Super Complaints.