

## **Update on potential revisions to Forward Work Plan**

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### **1 Overview**

- 1.1** The Board asked in the October Board meeting for SMT to take forward the proposals outlined in the October Board paper 10.1. The Board stressed the need for SMT to ensure each proposal was assessed against an explicit set of criteria: deliverability within the given timeframe; synergies with other work; and wider capacity building. The Board also asked that SMT identify another £200k of further revisions to the plan. Subject to the above, the Board broadly accepted all five areas from paper 10.1 agreeing that the detail be left to SMT. This paper sets out our progress.

### **2 Action for the Board**

- 2.1** The Board is asked to **NOTE** the contents of this paper, which is an annex to the Chief Executive's report.

### **3 The key issues**

- 3.1** In developing our ideas for further spending we have worked with the GB programme leads and sought their agreement that all of the proposed projects are deliverable by their teams within the allotted timescale. We have also consulted with colleagues in Scotland and Wales and will continue to work with appropriate staff across our organisation including NI (Post) as we move from scoping to the detailed research work itself.

### **4 Criteria for additional projects**

- 4.1** We have sought to develop criteria for approving additional projects:
- i They build and extend current planned research areas/projects
  - ii They allow us to advance on work planned for next year and support our 6 work areas as set out in the annual plan 2010/11
  - iii They promote consumer empowerment
  - iv They build relations and the reputation of Consumer Focus with our key stakeholders and consumers
  - v They support organisational and staff development
  - vi They are deliverable by end of March 2009

## 5 The Projects

### 5.1 Progress on agreed projects

#### 5.1.1 Building the customer community

- Strategic investment in training for advisors on key issues such as consumer rights and disconnections.
- Building on “consumer community” work (leaflets, briefing and training materials workshops)

**Scope:** Principally England – any expansion to Scotland, Wales and NI will not go ahead without agreement. Our initial plan is to outsource this work

**Cost: £75,000 mainly from the energy funding stream**

#### 5.1.2 Public Services Detriment Survey

- Public Services Research project- a survey of consumer views of public services  
**Scoping** for this research continues and the Public Services team is liaising with colleagues in Scotland and Wales

**Cost: £120,000 BIS funding stream**

#### 5.1.3 Connecting with disadvantage and vulnerable groups

- A review of which organisations consumer focus should engage with in order to better connect with the consumer experience.
- Qualitative discussions with vulnerable consumers: Deliberative discussions on what you need for a “decent” quality of life. The research is designed to connect service providers with vulnerable and disadvantaged consumers and their everyday experiences. Staff would learn from their involvement in this project.

**Scope:** England

- Staff engagement with vulnerable and disadvantaged communities. Review of how Consumer Focus can enable staff to connect with communities.

**Scope:** UK

**Cost: £110,000 across all funding streams**

#### 5.1.4 Consumer Rights/consumer empowerment

- Initial scoping on this project revealed that it would require too much coordination with outside agencies and too much management time to be possible within the timeframe permitted. The empowerment agenda has been addressed with the idea of the conference below under new ideas

#### 5.1.5 Training

- Training including developing an in-house training programme on consumer empowerment and consumer law, report writing and public policy.
- Away day for Programme Leads in England/GB, Wales and Scotland

**Cost: £60,000 across all funding streams**

## 5.2 Additional Projects Identified

### 5.2.1 Annual Plan Launch and Consumer Empowerment Conference

- Building on the success of Consumer Focus Scotland's conference we envisage a two day event. First day – launch of annual plan with associated workshops on key issues and also launch a substantive piece of policy work with key speakers to include sec of state and shadow cabinet.
- Second day – an empowerment conference: Community groups, web advocacy, ngo's. Well facilitated and with practical workshops e.g – consultation, information provision, consumer rights awareness, international practice, web opportunities, behavioural economics, disadvantage etc.

**Scope:** England/GB

**Cost: £150,000 spread equally among areas of energy, BIS and post**

### 5.2.2 Financial Regulation

- Financial scoping research plus an overview of the regulatory regime and comparative analysis. This research will position Consumer Focus ahead of next year's work programme.

**Scope:** England/GB

**Cost: BIS £30,000**

### 5.2.3 Consumer Focus Sustainable Consumption strategy

- Bringing forward the organisational development work on sustainability

- **Scope:** UK

**Cost: £35,000 from BIS**

### 5.2.4 Focus on Post:

- A series of papers from industry experts on the challenges facing the industry to be used in articulating our strategic vision for postal services and engaging key stakeholders.

**Scope:** UK

**Cost: £40,000 from the Post funding stream**

### 5.2.5 Self disconnection research

- Self disconnection is usually defined as interruption to electricity or gas supply by consumers using Pre payment meters (PPM's) because the card or key has not been charged and inserted into the meter: consequently consumers end up being disconnected from supply until the meter is topped up. There is currently no robust, accurate and up to date information about how many consumers are self disconnecting, and why. Therefore, as part of the wider debt and disconnection project we are seeking to carry out research in to self disconnection to build our understanding and knowledge about how many consumers with pre payment meters (PPMs) self disconnect, who these consumers are and why they are self disconnecting. This is a partnership project with Consumer Focus Wales.

**Scope:** England and Wales

**Cost: £60k from energy funding stream (£20k from Consumer Focus Wales)**

### 5.2.6 Cuts in public services

- Organisations are wary of involving consumer in the discussions over cuts in public services yet our work in NCC shows how important that involvement can be in decision making .
- Consumer Focus Wales has a similar project underway and is assisting GB Teams with scoping.

**Cost: £65,000 from BIS funding stream (£40,000 would come from existing budget so there would be a contribution of £25,000)**

### 5.3 Other project ideas from GB teams under consideration:

These are initial project ideas that the GB teams have come up with but they have not yet been scoped nor have we considered what parts of the UK they would cover. We include them as example of possible extra projects:

#### 5.3.1 Project discovery and its impact on consumers

- Behavioural economics looking at cross-market issues - what motivates consumers to change their behaviour? A cross-market piece of desk research initially would be a good feed-in to subsequent Discovery work (eg adoption of energy efficiency measures), as well as being useful in other market sectors.

**Cost: (uncosted)**

#### 5.3.2 Review research on special rate numbers

- Research number and uses of special rate numbers; the reason for call charge differences and the reasonableness of charging. Pilot study with Police and Learning and Skills Council. This would enable a better understanding of the special rate number market and establish if charging of special rate numbers is fair and if not levels of overcharging. We would seek to identify and develop proposals for improved charging including viability of zero rating/reduced rating for public sector help lines.

**Cost: £30,000 BIS**

#### 5.3.3 Switching Decisions

- Focus group trialling solutions to help consumers make informed switching decisions. Ofcom is currently conducting research into the consumer journey and barriers to informed switching decisions. The aim of this focus group would be to trial new tools to help consumers better navigate the mobile market and cross check findings of Ofcom's research. Develop a set of tools to help consumers better manage the complexity of the mobile phones market. Promote these as part of future switching campaigns.

**Cost: £25,000 BIS**

#### 5.3.4 The Low Carbon Transition: the consumer journey

- Systematic analysis of the UK Low Carbon Transition Plan, and the related Heat and Energy Saving Strategy, from the consumer viewpoint. This should identify where changes have a direct impact on consumers and where there is potential for detriment – potentially measured against the consumer principles. This should draw out issues relating to privacy, choice, need for redress, and education, amongst others. This project would set the scene for the 'whole house' project next year (potentially including the development of a Low Carbon Consumer Advisory Group) and allow the organisation to inform and respond promptly to the Government's Roadmap to 2050 (to be published in Spring 2010). Would fit under 4. i

**Cost: £40,000 ¾ energy ¼ BIS funding streams**

#### 5.3.5 Inflationary Impact on goods and services of energy price rises

- Impact upon consumers if the costs of all the energy measures were passed on to users/businesses. Users in the sense of businesses that provide services and products that we as consumers need/want in our daily lives. What impact will this have on the cost of food, white goods, clothing, etc? We need to avoid thinking about the cost of environmental measures in isolation of general inflation or the effect that the cost of more expensive food etc will have on our lives. That aspect is not being picked up by Ofgem (perhaps rightly so) but still needs to be done so that we have an overall picture of the consumer landscape in the not so distant future.

**Cost: £30,000 across all funding areas**

### 5.3.6 Smart Metering

- **Omnibus survey**

Quantitative poll to establish extent of consumer awareness of smart meters, perceptions of technology and on key issues. E.g. switching times, displays, data sharing and remote management, pay as you go and who pays. Identify any regional/national/demographic differences. The research will help inform our policies and support media and campaigning work. One of our aims is to improve consumer awareness and engagement with smart meters. This can act as an initial benchmarking process with some questions repeated on an annual basis.

- **Survey of consumers smart meter experiences**

Establish consumer perceptions and experiences of smart meters among those that already have them – likely to include UK and international markets/cultures that are as comparable as possible to our own. The goal is to learn from the lessons of other countries and existing smart meter users. Ensure necessary protections are put in place to prevent any consumer detriment and benefits are maximised ahead of wide-scale roll out. Review experiences of Utilta, First Utility and other suppliers' customers in GB.

- **Review of international experience of ways in which smart metering has been used to deliver social assistance to consumers.**

This would include looking at the use of trickle meters, monitoring and targeting of assistance at those in need, use of extended credit and tele-care services and how they have handled data protection and privacy issues. The aim is to develop a series of practical proposals to help low income and vulnerable consumers.

- **In-depth quantitative focus groups and display trial possibly over several months.**

Precise details would be worked out in partnership with DECC.

Likely to include consumers trialling different types of display information and different vehicles for displaying that information (e.g. stand alone versus TV, mobile, combination – real time versus semi real time). Also focus group looking at data sharing issues. We need to establish what our minimum requirements are for displays (both data presentation and vehicles for delivery) including push and pull technologies. We also need to establish consumer perceptions on data sharing (the balance between individual privacy and public good in this context). We have little evidence on which to base our views on this. This would build on the findings of the Government's own trials and EST's research. This is important research but we may be able to secure private funding for this or joint funding with DECC and possibly Ofgem.

- **Literature review**

Review different engagement and roll out strategies used in countries which already have smart meters and their impact on consumer take up and energy/carbon reductions. Develop a series of proposals to maximise the benefits to consumers of smart meter roll out. Provide stronger evidence base for our policies.

This may be something we can get the European Commission to take a lead on and support. DECC also interested in this so scope for joint work.

**Cost: Overall total for smart metering of £100,000 from energy stream**

### 5.3.7 Audit of Royal Mail complaint handling

An examination of why so few postal complaints go to the postal redress scheme or EHU. Is Royal Mail a paragon at dealing with complaints or are other factors involved such as perceived or actual difficulty in escalating complaints. We know for example that in Northern Ireland there is little awareness of how to make a complaint and little clarity on how redress works. However terms of reference would need to be agreed with Royal Mail which may complicate its delivery this financial year.

**Cost: £50,000 from Post funding stream**

## 6 Summary of agreed, additional and other projects

PROJECT NAME	COST
Building the customer community	£75,000
Public Services Detriment Survey	£120,000
Connecting with disadvantage and vulnerable groups	108,000
Training	£60,000
Annual Plan Launch and Consumer Empowerment Conference	£150,000
Financial Regulation	£30,000
Sustainable Consumption strategy	£25,000
Focus on Post	£40,000
Self disconnection research	£60,000
Cuts in public services	£65,000
Project discovery and its impact on consumers	uncosted
Review research on special rate numbers	£30,000
Switching Decisions	£25,000
The Low Carbon Transition: the consumer journey	£40,000
Inflationary Impact on goods and services of energy price rises	£30,000
Smart Metering (overall cost)	£100,000
Audit of Royal Mail complaint handling	£50,000
<b>TOTAL COST :</b>	<b>£1,008,000</b>