

## Consumer Focus Board

<b>Paper 4.1</b>
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**Title:** Governance and Devolution Issues : Roles of Boards

**Purpose:** Note from the Chair

**Date of meeting:** 16<sup>th</sup> March 2009

**Prepared by:** Lord Whitty

**Attachments:** Annex A; Annex B; Annex C; Annex D; Annex E

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### **A Introduction**

1. At the extra Board meeting on January 12 the Board agreed the outline presented in annotated Agenda form including the points describing the relative roles of the Consumer Focus Board and of the country Boards. This paper sets out the issues listed in that agenda and draws them into a narrative which should govern the role of the Board and the roles of the Boards of Consumer Focus Scotland, Consumer Focus Wales and Consumer Focus Post Northern Ireland.
2. If this narrative is agreed it will be shared with the country Boards for their agreement and will form the basis for the operation at Governance level in the whole of CF family.
3. It may still be that more detailed protocols need to be drawn up to give clearer effect to this narrative (based on the draft MoUs that were considered and largely but not completely agreed in the autumn). If the Boards consider that would be helpful drafts will be brought to a subsequent Board meeting.

### **B Overall Structure of the Consumer Focus Organisation**

4. The statutory basis of the organisation is set out in the Consumers, Estate Agents and Redress Act 2007 is of a single organisation but with separately statutorily based country committees. In the legislation the organisation is the National

Consumer Council and the country committees the Scottish and Welsh Consumer Councils and the Northern Ireland Committee for Postal Services – we have decided to use the designation Consumer Focus throughout. The legislation also refers to ‘territorial committees’ – not a term we will use - whose members however are separately appointed by UK government Ministers in consultation with Ministers in the devolved administrations.

5. There is therefore some lack of clarity in the legislation. Much of it is written as if the ‘territorial committees’ are simply sub committees of the main Council but the separate statutory and appointments base gives them their own status.
6. We have to make operational sense of the lack of clarity . At Birmingham and in the discussion at the January Board and in discussions of draft ‘MoUs’ at both the Board and Scottish and Welsh level led to a degree of consensus on the roles but this needs an agreed narrative.
7. Although we refer to the Boards and their staff as the ‘Consumer Focus family’ it is clear that the institutions are neither equal nor separate; but neither is Consumer Focus a monolithic organisation. The different Boards have different roles.
8. Essentially:
  - The Consumer Focus Board (or the ‘main Board’ ) is the governance Board and has responsibility for overall governance, resources and finances and their allocation and staffing and HR matters; and oversight of the CEO and Senior Management Team and the performance of the whole organisation.
  - The main Board also has policy responsibility for policy in England, and GB, UK and EU level policy and for all other Policy not devolved to the Country Boards.

The Scottish and Wales Boards are primarily responsible for areas of devolved public policy for all consumer policy specifically within their own territories and for ensuring contributions to main Board led GB, UK and EU policy projects:

- The CFNI Board is responsible for postal services policy and implications for NI, and for ensuring a NI contribution to the main Board UK postal services policy.

## **C Policy Projects and Campaigns**

9. Where the project relates to government policy it is fairly clear what is devolved and what is ‘reserved’ i.e. not devolved: the bulk of public services are devolved; the bulk of industrial policy, company law, regulation and consumer policy and consumer law are not.

10. Where we are dealing with UK or GB-wide markets the situation is more complicated but the main Board is in the lead. This does not preclude staff members based in Scotland and Wales and for postal issues N Ireland being part of a GB project team or indeed leading that project. But for those purposes the oversight is with the main Board. There will be other cases where the project is about the specific effects of GB (or UK) markets or regulatory jurisdictions on Welsh or Scottish consumers – in which case the country Boards are responsible; as they would be in a project which was about Welsh consumers but needed expertise or an English benchmark provided by a staff member based in London.
11. In relation to particular **individual Policy Projects or campaigns** by agreement on the Senior Management Team staff in Glasgow, Cardiff or Belfast can from time to time be temporarily deployed on GB or UK wide projects led in London. Likewise by agreement on the Senior Management Team from time to time staff in Glasgow, Cardiff or Belfast may be designated to lead a project which is the responsibility of the main Board.

#### D **Corporate Functions and Accounting Officer**

There is only one Accounting Officer – the CEO – whose appointment also has a separate statutory base and separate statutory duties (which are also covered by the Accounting Officer regulations that apply across government) but who reports to the main consumer focus Board.

12. There are Corporate Functions located in Glasgow or Cardiff as well as London; these remain the responsibility of the main Board but there is a difference between the different functions.

\* In the case of the **Extra Help Unit** based in Glasgow this is managed by the Senior Director Scotland and there is a ‘dotted line’ responsibility for day to day oversight to the Consumer Focus Scotland Board.

\* In the case of the **Complaints of General Interest** function based in Cardiff this is managed by the Senior Director Wales and there is ‘dotted line’ responsibility for day to day oversight to the Consumer focus Wales Board.

\* But in the case of **Support Services** – Human resources, Finance and IT – these are located in Cardiff but are managed by the Finance and Operations Director and overseen by the main Board.

## E **Earned Income**

13. The main Board is ultimately responsible for all financial matters, but the development and management of earned income projects in their jurisdiction is devolved to Consumer Focus Scotland, Consumer Focus Wales and Consumer Focus Post Northern Ireland. Earned income projects can therefore be established at both main Board and at country Board level. They do however have to be fully self financing (including appropriate contributions to overheads) and self managed. And they must be subject to the overall controls established by the main Board central internal and external audit.

## F **Overall Cooperation**

The main Board and country Boards have the general responsibility to ensure management and staff operates in a spirit of cooperation and sharing of information. To facilitate this :

- There will be joint meetings of all the Boards at least once a year to discuss the Forward Work Programme – held successively in London, Cardiff and Glasgow;
- As per statute the Chairs of the country Boards are full members of the main Consumer Focus Board (and also of HR Committee)
- Prior to each main Board meeting the Chair of the main Board and the Chairs of Consumer Focus Scotland and Wales and Consumer Focus Post NI will meet (virtually) to discuss the Board agendas.
- From time to time the Chair of the main Board and the CEO will attend country Board meetings
- The main Board will hold at least one meeting each year in either Cardiff or Glasgow or Belfast
- (*Protocols between each of the country Boards and the main Board will be agreed and monitored.*)
- On dealing with the media a protocol will be agreed setting out need to inform and consult on media contacts as far as practicable on basis of no surprises and of maximising a common line in the media where possible.

More generally, the Chairs and Members of all Consumer Focus Boards should endeavour to work together and communicate effectively.