

Consumer Focus Board

Paper 8.1

Title: Chief Executive's report

Purpose: For information and discussion

Date of meeting: 13 October 2009

Responsible officer: Philip Cullum

Prepared by: Philip Cullum and Mark Steinmeyer

Attachments: None

1 Overview

- 1.1 This report is a short update on developments since the quarterly Chief Executive's report presented at the September Board. It is my first report as Acting Chief Executive, and I am therefore taking this opportunity to advise the Board formally of the interim management arrangements and set out my approach to the period ahead, as well as reporting on our impact in the past few weeks and flagging up forthcoming initiatives. There will be a full quarterly Chief Executive's report at the December Board.

2 Action for the Board

- 2.1 The Board is asked to **NOTE** the contents of this report.

3 Senior Management Team

- 3.1 I have put an interim Senior Management Team in place, as set out below, covering the period until Christmas. I am confident this is a strong team, and we are individually and collectively determined to ensure that this period – however long it lasts – is one in which we achieve real impact for consumers and make tangible progress as an organisation, not merely hold the fort.
- 3.2 My primary objective in putting the interim team in place has been to enhance our ability to deliver effective policy processes, energetic but strategic campaigning and reputation-building, and strong cross-organisational working, alongside our drive to improve corporate services. These arrangements will in my view make us better able to achieve the internal and external priorities previously agreed with the Board.
- 3.3 The Senior Management Team, in addition to me, now comprises:
- Graham Clark – Acting Deputy Chief Executive.** Graham will deputise for me, manage the day to day sponsor relationship with BIS and have lead responsibility for the London office. This is in addition to his current role as Finance and Operations Director role, which as well as the critically-important improvement of corporate services includes working with me in strategic oversight of the major change programme for the National Social Marketing Centre.

Maria Battle – Senior Director, Wales. Maria will continue in her substantive role, where she is amongst other things establishing the Complaints of General Interest team and managing CF Labs. She will take on new responsibility at SMT level for the development and implementation of the Government’s Consumer Advocate proposal, supporting Chris Rawlins, Head of Strategy, as he leads our work in this area; she will also lead on our sustainable development action plan.

Martyn Evans – Senior Director Scotland. Martyn leaves us on 30 October; Trisha McAuley has agreed to become Acting Senior Director after this period (and will attend the Senior Management Team meeting on 5 October, so that we have an effective transition). While he is still with us, Martyn will continue to play a key role at SMT level, while leading the teams in Scotland.

Sarah Brooks – Interim Director of Policy. Sarah will line manage the GB and international Programme Leads. She will be responsible for embedding policy decision-making processes and quality standards, and enabling collaboration across all the programmes. She will be responsible for the resolution of working-level GB policy issues and chair the monthly meeting of all the Programme Leads. Jill Johnstone will in turn cover for Sarah’s substantive role as Head of Fair Markets, in addition to her own role of Director of International Advocacy.

Adam Scorer – Interim Director of Reputation and Impact. Adam has most recently been a communications consultant at the General Dental Council, having previously been campaigns director at Energywatch; before that he worked at Which?. Adam will line manage the Head of Communications and Head of Strategy, and will focus on ensuring that we maximise our impact, build campaigning skills across the organisation, demonstrate the salience and value of our work and prepare for the new government. As such, he will have lead responsibility for delivering on the external part of the SMT priorities agreed with the Board sub-group. He will support the Head of Communications as she establishes a revised departmental structure aimed at strengthening our campaigning capability (see below), and support the Head of Strategy through the external engagement elements of the corporate planning process.

- 3.4 I also line manage John Bromley, our new Director of Social Marketing, and Susannah Hughes, Head of Secretariat. I additionally expect to work particularly closely in this period with Chris Rawlins and Mark Steinmeyer from the Strategy Unit, whom I see as key supports for my role and the work of SMT more generally.

4 Accounting Officer

- 4.1 I recently received a letter from BIS confirming that I was appointed as Accounting Officer on 1 September. I performed the same role while Acting Chief Executive at the National Consumer Council last year and during that time attended the National School of Government course for accounting officers, so this is not unfamiliar to me.
- 4.2 My first action in the role, with the support of Graham Clark, has been to commission our internal auditors to undertake a short review of whether we have any unmet legal obligations, so that Senior Management Team can prioritise any gaps that are identified. I will of course keep the Board and sub-committees informed of developments.

5 Internal communication and engagement

- 5.1 I am making staff engagement a top priority in this period. I have started to use the intranet regularly to emphasise key messages about how we work and update colleagues on important matters, for example providing timely feedback on the September Board meeting, and other SMT members will be doing likewise from now on.
- 5.2 I am visiting all the London-based programme teams – most recently CPACE, the International Programme and the National Social Marketing Centre. And I am spending significant time in the national offices – I visited Consumer Focus Scotland on 17 September and Consumer Focus Wales and Corporate Services on 21 September, and was based in the Glasgow office for four days in early October. I will visit Belfast to meet Consumer Focus Post colleagues as well as the new Director of the Consumer Council there, although unfortunately it has not been possible to find a date until December.
- 5.3 I have had very positive staff feedback on this enhanced engagement so far. We are undertaking a quarterly Pulse survey of staff in October, which will give us an understanding of whether colleagues are indeed finding this shift useful. This survey will be the first using our new approach, which involves sending the questionnaire to all staff rather than just a sample of them, and will also allow us to cut the data in different ways. We will as usual report the findings, and any resultant management actions, to the HR committee.

6 External communications

- 6.1 It would not be appropriate to make major changes to our structure prior to the recruitment of the new Chief Executive and Senior Director for Scotland. However, last month SMT agreed some adjustments to maximise the effectiveness of our communications work at GB/UK level, to strengthen our leadership in this key area which is critical to our impact as an organisation. We consider that these changes, which have no net impact on spending or headcount, will help us deliver the external priorities that SMT has agreed with the Board. Key changes are the creation of three managers' posts, covering public affairs, media relations and publishing, and the establishment of a single GB/UK public affairs team within the communications department, led by the new role of Public Affairs Manager. I have advised the HR committee of these changes.
- 6.2 Board members have previously said that we do not yet do as much as we could to enable each of you to advocate on behalf of the organisation and 'sell' our work to your contacts. We already circulate press releases, but Diane Gaston, Head of Communications, and the GB Programme Leads have agreed that we will from now on circulate a schedule of forthcoming publications each month and then send you a short briefing on each major report or announcement, with key messages and lines to take, prior to publication.
- 6.3 We will also provide details of the consultation documents to which we have responded. This tends to be a rather unsung, though substantial, aspect of our work, and it is important you get to see quite how much we are doing behind the scenes on often technical issues to advance the consumer interest.
- 6.4 I have also asked the Communications team to commission an analysis of our media profile over recent months, to inform our future communications strategy. This is being

sent to you separately. We will in future be providing updates to the Board on a regular basis.

7 Preparing for the next UK Government

- 7.1 We have a strong programme of engagement at the Liberal Democrat, Labour and Conservative party conferences this autumn, very well organised by Helen Newton and other public affairs colleagues. We ran breakfast events at each conference, and various colleagues spoke at some 18 events, on issues ranging from fuel poverty and the digital economy to money advice and sustainability.
- 7.2 I have asked Adam Scorer to lead a Strategy Group on our positioning and preparations for the next UK Government, whatever its political colour – the membership includes me, Sarah Brooks, Chris Rawlins, Diane Gaston and Helen Newton. There is a separate Board item on the political environment in 2010.

8 Board meetings

- 8.1 My sense from listening to Board discussions over recent months and talking to a number of you on a one-to-one basis is that we have not always pitched the Board's policy discussions at the right level. We have perhaps too often asked you to engage with rather detailed points of policy, where we may already have a fairly well-developed perspective, rather than teeing up more strategic discussions which would genuinely offer real value to staff. As staff we have to grapple with some wicked issues in consumer policy, often cutting across all that we do – it is time that we have these discussions at Board level, allowing us to take advantage of your expertise and insight, get strategic direction from you, and show you the high quality of thinking and debate within the Consumer Focus staff team.
- 8.2 We have put the issue of cross-subsidy on the agenda for this meeting – this is a critically important topic where there are different, strongly-held views across the organisation, and where the Board can give us an invaluable steer. We would welcome feedback on whether you consider this is a good approach to Board policy discussions. We have a number of other major topics in mind which might also make for significant Board discussions. These include disadvantage and vulnerability; minimum pricing for unhealthy products (which was recently considered by the Consumer Focus Scotland Board); whether regulators to seek should maximise consumer benefits or minimise consumer harm; (over) reliance on switching as a way of making markets work; and the limits of consumer policy.
- 8.3 Such discussions would not be intended to prevent Board discussions on detailed policy, whenever a clear Board decision is needed under the arrangements agreed earlier this year. SMT would welcome your guidance on whether this is the right approach and on the topics you consider it most pressing and appropriate for the Board to discuss. My own view is that we should discuss disadvantage and vulnerability as soon as possible, and I would also prioritise the items on switching and regulatory objectives.
- 8.4 We are encouraging the GB/UK Programme Leads to attend Board meetings as a matter of course, subject to other commitments, and we are also doing more to remind other staff that they are welcome to attend and should particularly do so when there are relevant policy discussions. I would like to see more direct involvement of our policy experts at Board meetings – we have an impressive team of people, and they will learn a lot from engaging with you more closely. You will have seen some signs of this at the September meeting, with more I hope at the October Board.

- 8.5 From a staff perspective, the September Board meeting was extremely useful in giving us guidance and direction on a number of key strategic issues. But there is no doubt that the short time between the September and October meetings, alongside sub-committee meetings in both these months too and against a backdrop of the party conference season, has tested to the limit our ability to produce high quality papers that have received appropriate SMT and chairs' consideration prior to circulation.
- 8.6 SMT has recently asked Trisha McAuley and Susannah Hughes to review our own processes, to ensure that we as SMT are working as effectively as possible. But the number and frequency of Board and sub-committee meetings undoubtedly leads to a sometimes overly hectic schedule of paper production. From an SMT perspective, we would see some merit in having slightly fewer 'standard' Board and sub-committee meetings – we consider that this would enable us to give you higher quality papers and enable more strategic discussions. In our view, it would make sense for the new Chief Executive to review this and report back to the Board with proposals, as part of his or her wider consideration of how we can maximise our effectiveness and how governance and management arrangements best support this.

9 Policy advocacy

- 9.1 The report of the review of the civil courts in Scotland led by Lord Gill, the second most senior judge in Scotland, was published at the end of September. The review was set up by the Scottish Government following the 2005 report of the Civil Justice Advisory Group chaired by Lord Coulsfield and established by the Scottish Consumer Council. Sarah O'Neill, who wrote the 2005 report, was asked by Lord Gill to be a member of the policy group set up to advise on the review.
- 9.2 At more than 600 pages, the report makes far-reaching recommendations on improving access to civil justice in Scotland, giving a clear and prominent voice to the interests of users of the civil justice system. It has been described as the 'most fundamental set of changes in the Scottish civil courts in 200 years' and is a major success for Consumer Focus Scotland. The recommendations set out to address many of the concerns that formed the consumer agenda for civil justice reform over the last three decades. These include:
- Introducing a new more user friendly simplified procedure for cases involving lower monetary value and housing matters, designed with unrepresented court users in mind.
 - Promoting increased public legal education about legal rights and responsibilities and where to go for help.
 - The extension of in-court advice services throughout Scotland.
 - The introduction of 'McKenzie friends' to assist unrepresented parties in court.
 - Encouraging parties to consider the use of mediation, and establishing a free mediation service for cases under the simplified procedure
 - The introduction of a procedure for multi-party (class) actions in Scotland.
- 9.3 On 24 September, the Minister for Housing and Communities announced that the Scottish Government is to introduce a scheme for safeguarding rental deposits in Scotland. Consumer Focus Scotland has lobbied for the introduction of such a

scheme, and is a member of the tenancy deposits stakeholder group established by the Scottish Government.

- 9.4 The Board was very positive at its last meeting about our 'Rating Regulators' work. I am pleased to report that Bill Emery, Chief Executive of the Office of Rail Regulation, has subsequently been in touch to 'commend' this work and let us know 'how useful it has been in providing us with a framework in which to check our own processes and corporate approach.' We will be attending a meeting with the regulator, Passenger Focus and London TravelWatch to discuss this further.
- 9.5 In energy, the review of vulnerable disconnections has been completed and confidential reports ranking suppliers, written by Consumer Focus, have been sent to all suppliers. Ofgem have prepared a public report scheduled to be published by the end of the September.
- 9.6 The law firm reviewing the npower tariff sculpting case have indicated that they think the case is strong and want to pursue it on a 'conditional fee light' basis. They are preparing a proposal, following which we plan to approach the Board for a decision on whether we should proceed. Meanwhile, in line with our no surprises policy we have asked npower if they will reconsider the stance on compensating consumers who have been over charged - they have indicated that they consider the matter to be closed.
- 9.7 We have conducted some research and analysis of energy suppliers' increasing use of prompt payment discounts, which has raised concerns over the risk of overcharging consumers by the back door. In the current economic climate increasing numbers of consumers are paying their bills late. Anecdotal reports suggest there has been an increase in red bill reminders of 25-40% across suppliers. Many elderly and fuel poor consumers could face significant additional charges. We will be asking Ofgem to consider the matter against the new unfair price differential licence condition.
- 9.8 Consumer Focus received Ofgem's latest Wholesale/Retail market report. We commented to the media and received further coverage on drops in wholesale energy prices with no drops in retail prices, including national press and television appearances.
- 9.9 We have held discussion with The Helplines Association (THA) and Citizens Advice about the cost of calls to government helplines from mobile phones. A letter to the Minister has been drafted by Citizens Advice calling for a seminar on the issue. Meanwhile we are scoping the potential for a new scheme, to be operated by THA, to zero rate or cap call costs to designated public sector helplines.
- 9.10 The UK Government's Fair Tips Charter was launched at the start of October – this build on early work by Consumer Focus last year, and we will scrutinise what is happening in practice as a result of this voluntary code, prior to an official review next year.
- 9.11 Plans are progressing to hold regular meetings with key organisations involved in strengthening Wales's food hygiene enforcement regime on the back of the investigation in the e.coli outbreak in south Wales. Consumer Focus Wales has held discussions with FSA Wales, Welsh Assembly Government, WLGA, the Chartered Institute of Environmental Health (CIEH) Wales and the Directors of Public Protection Wales (DPPW) to define a purpose for the group that will secure buy-in among all relevant stakeholders. Conversations have taken place with representatives of families affected by e.coli 0157 to explore ways of involving them. The group will aim to increase transparency in work ongoing since the Pennington report's publication,

monitoring progress on key areas, highlighting work done so far, work yet to do, facilitating coordination, and providing a forum for discussion of key issues. Consumer Focus Wales has also commissioned research on public attitudes to food safety which will be considered by the group. Consumer Focus Wales has secured a more influential position in the FSA's Scores on the Doors scheme and been asked to join the soon-to-be-formed Wales steering group, and replace the current Consumer Focus representative on the UK steering group when he leaves our organisation later this year.

10 Consultation document responses

- 10.1 We have submitted a number of consultation document responses, ranging from a paper for Ofcom's Mobile Sector Assessment second consultation – a major review covering a wide range of issues in the mobile phone market – to a submission to the Food Standards Agency's review of its regulatory framework. These are available on the Consumer Focus website.
- 10.2 We also led on BEUC's position paper on smart metering and consumer statement at the European Citizens' Energy Forum.

11 Publications and events

- 11.1 Consumer Focus Scotland published an updated consumer guide on the rights and responsibilities of flat owners entitled 'Common Repair Common Sense'. The Minister for Housing and Communities welcomed and commended the guide.
- 11.2 Consumer Focus Labs developed and formally launched a website that enables consumers to access product recall data in a completely new and far more user friendly format.
- 11.3 Jen Wallace gave evidence to the Scottish Parliament Finance Committee on the Public Services Reform (Scotland) Bill, as did Consumer Focus Scotland Chair Douglas Sinclair in a personal capacity as former Chair of the Fit-for-Purpose Complaints System Action Group.
- 11.4 Consumer Focus recently spoke at a well attended session on 'fuel debt and consumer representation' at the National Energy Action annual conference, and we spoke about Alternative Dispute Resolution schemes at the Citizens' Energy Forum on 29 September.
- 11.5 As noted above, Consumer Focus has had a strong presence at this year's party conferences, hosting a private breakfast meeting for senior stakeholders at each one. We also organised a fringe event on fuel poverty at all three conferences with Secretary of State, Ed Miliband, speaking at Labour conference and David Heath, who sponsored the Fuel Poverty Bill, at the Lib Dem conference. Mr Milliband commended Consumer Focus for our work in making the industry more accountable. Staff also spoke at numerous fringe events on issues such as food, Europe and consumer policy, and the digital economy, alongside other speakers such as the MD of T-Mobile, Richard Moat, and the Treasury Minister Stephen Timms.
- 11.6 Consumer Focus Wales has established a Wales Fuel Poverty Coalition jointly with NEA Cymru. The aim is to influence the forthcoming revised fuel poverty strategy for Wales. A special meeting of the Cross Party Fuel Poverty Group was held on 23 September, which was attended by the Minister for Environment Sustainability and

Housing. During the meeting the Minister made specific reference to the work that Consumer Focus had undertaken on social tariffs and her support for this role.

- 11.7 Consumer Focus Wales also continued its public affairs work including taking forward the Manifesto 2011 project, to influence the major political parties ahead of the Assembly elections by meeting with David Melding AM, the Conservatives Policy Director in Wales.

12 Looking ahead

- 12.1 We have numerous speaking invitations at conferences and other events over the next two months. Consumer Focus Scotland is preparing for its conference, Fairness and the Consumer, which will take place in Edinburgh on 29 October. Speakers include the Finance Secretary John Swinney, John Fingleton, CEO of the Office of Fair Trading, and Lorna Jack, CEO of the Law Society of Scotland.
- 12.2 Consumer Focus will be chairing a session entitled “Regulatory Issues of Importance to Residential and Small Customers” at the World Forum on Energy Regulation in Athens on 18– 23 October. We are speaking at a Regulatory Reform conference on 22 October, an Institute for Government conference on regulation on 9 November, and a Civil Service World conference on personalised public services on 26 November.
- 12.3 I am co-hosting a breakfast event with John Fingleton on 24 November, on the topic of ‘confident consumers’, and we will be running the first of our Annual Plan consultation events in November too.
- 12.4 Postcomm are ramping up their activity and holding a stakeholder event this autumn that we are likely to take part in. We are also working with them looking to collaborate on a large piece of research that will feed into their market review.
- 12.5 The field work on the joint review with Ofgem of energy suppliers’ debt and disconnection process will start in October with the findings due to be published in December. Consumer Focus will be holding meetings with key stakeholders in preparation for the publication of the heating fuels report. Media coverage will be planned to accompany the launch of the report.
- 12.6 Between now and December we will be holding 13 consumer empowerment events for advice providers and frontline advisers in: Aberdeen, Glasgow, Birmingham, Manchester, Leeds London and Bristol. We provided energy training to 52 Consumer Direct advisers on 8-9 October.
- 12.7 We will be launching a number of publications in this period, including our analysis of JobCentre Plus, our paper on directgov, a number of reports on postal offices, a paper on the ‘poverty premium’ in Wales and a report on broadband monitoring. Outcomes of the consultation on mobile phones will be published in October, and the first products of the consumer conditions survey will also be made public shortly.
- 12.8 We are currently scoping the possibility of commissioning regular omnibus surveys to ascertain consumers’ attitudes towards Royal Mail and the postal market more widely. This will allow us to monitor trends in consumer attitudes of the postal service.
- 12.9 Communication Workers Union (CWU) ballot results were expected on 8 or 9 October. If approved, industrial action is likely to begin on 15 or 16 October. We will continue to monitor industrial relations and attend any meetings held by Postcomm and BIS regarding contingency plans. We will be looking at ways to provide up-to-date

information for consumers about what is happening and how it may affect them, while continuing to update the tips that we currently show on our website.

13 Proposal

13.1 The Board is asked to note the contents of this report.

14 Next steps

14.1 The Board will receive a Q2 performance report at the next Board (1 December). This will include the balanced scorecard and a work programme progress report.