

**DRAFT  
CONFIDENTIAL**

## **CONSUMER FOCUS: MINUTES OF MAIN BOARD MEETING No.30**

**Draft minutes of the meeting held on 16 December 2010 11.30am – 3.00pm at  
Artillery House, Artillery Row, Westminster, London SW1P 1RT**

### **Present**

Christine Farnish	(CF)	Chair, Consumer Focus
Anna Walker	(AW)	Board member/ Vice Chair
Stephen Locke	(SAL)	Board member/ Vice Chair
Enid Rowlands	(ER)	Board member / HR Committee Chair
Sharon Darcy	(SD)	Board member /A&R Committee Chair designate
Rick Hill	(RH)	Board member / Consumer Focus (Post) Northern Ireland Chair
Douglas Sinclair	(DS)	Board member / Consumer Focus Scotland Chair
Vivienne Sugar	(VS)	Board member / Consumer Focus Wales Chair
Dame Suzi Leather	(SL)	Board member
Ed Gallagher	(EG)	Board member
Roger Darlington	(RD)	Board member
Sukhvinder Kaur Stubbs	(SKS)	Board member

### **In attendance**

Mike O'Connor	(MO'C)	Chief Executive, Consumer Focus
Philip Cullum	(PC)	Deputy Chief Executive, Consumer Focus
Graham Clark	(GC)	Director of Finance and Operations
Marieke Dwarshuis	(MD)	Senior Director, Consumer Focus Scotland
Maria Battle	(MB)	Senior Director, Consumer Focus Wales
Adam Scorer	(AS)	Interim Director Reputation and Impact
John Bromley	(JB)	Director, NSMC
Susannah Hughes	(SH)	Head of Secretariat

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**An *Energy Strategy* session for Board members, delivered by the Consumer Focus energy team, took place before the start of the meeting and a rich discussion ensued. Board members agreed that the slides, presentation and pre-seminar papers had been outstanding.**

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**At the start of the meeting, the Board held a private session for Board members only, followed by a closed session for Board, SMT and Secretariat only. The minutes of the closed session are not confidential and appear overleaf.**

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## CLOSED SESSION FOR: BOARD, SMT AND SECRETARIAT ONLY

### A CHAIR'S UPDATE

- A.1 CF was taking her first Board meeting as Consumer Focus Chair and she warmly welcomed all attendees.

### B IMPLEMENTING CHANGES TO UK CONSUMER BODIES (Paper B)

- B.1 MO'C had circulated a paper, together with a number of annexes outlining the current position on the consumer landscape. Ministers had confirmed that it was expected that Consumer Focus would continue to exist until April 2013.
- B.2 MO'C outlined the risk that Consumer Focus's ability to fully discharge its remit to protect consumers and promote their interests could decline over the two year transition period ahead. It would be a challenge to ensure that there was no "gap in service" to consumers.
- B.3 DS spoke of the submission to the Scottish Government Working Group and VS spoke of the potential alternative models for implementation of the consumer landscape review in Wales. With regard to Consumer Focus (Post) Northern Ireland, there had been an indication that arrangements would be made following the Public Bodies Bill for transfer to the General Consumer Council Northern Ireland. RH stressed that if this could be confirmed by BIS as soon as possible, it would remove uncertainty for staff members in Northern Ireland.
- B.4 MO'C updated the Board on budget information just received informally from BIS: written confirmation was awaited but the likelihood was flat budgets for energy and post in 2011/12 and 2012/13, and a £1.5m cut in BIS funding in 2011/12, with more to follow in 2012/13. The Board requested a paper for the February meeting indicating the likely impact of these budget reductions on the work programme and Consumer Focus's capacity over the next two years.

#### Action: Chief Executive

- B.5 MO'C tabled for Board members a letter recently received from Ed Davey, Minister for Employment Relations, Consumer and Postal Affairs, which set out BIS thinking on transition arrangements. CF advised the Board that she would be meeting the Chair of Citizens Advice, John Gladwin, the following day.
- B.6 The Board held a wide ranging discussion on the strategy Consumer Focus should adopt in order to make the most effective contribution to the changes in UK consumer bodies announced in October by the Government whilst maintaining essential consumer representation and advocacy. The Board discussed and agreed the desirability of working closely with Citizens Advice and Citizens Advice Scotland during the transition to develop an appropriate new GB model. They noted that other options could be available in Wales and Scotland and encouraged further exploratory discussions. Board members suggested that CF seek meetings with other key stakeholders at an early opportunity in order to further build relations during the uncertain time ahead.
- B.7 In concluding its discussions, the Board **AGREED**:
- to support a transfer of Consumer Focus (Post) Northern Ireland to the General Consumer Council, Northern Ireland;
  - to support continued discussions to explore options in Scotland and Wales;
  - to seek to work closely with Citizens Advice and Citizens Advice Scotland on transition planning, and help build a shared understanding of functions, activities and options for delivery;

- to explore early agreement on the future shape of energy and post work, and possible early transfer of the Extra Help Unit;
- to undertake a piece of policy work to demonstrate thought leadership across the regulated industries, drawing together the cross cutting issues facing consumers in these sectors. This would include the need for major infrastructure investment over the next decade and how the costs of such investment might be allocated;
- to encourage joint working arrangements with Citizens Advice and Citizens Advice Scotland at all levels, and agreed communications where possible.

**Actions: Board and Executive**

**C A STRATEGIC APPROACH TO BUDGET PLANNING (Paper A)**

- C.1 The Board had received the paper prepared by the Chief Executive and the subsequent oral update on the likely funding settlement for 2011/12 (see above). The Board was asked for strategic guidance on the criteria to be applied by the executive in taking decisions about where and how to make the savings needed.
- C.2 Consumer Focus had worked hard over the last year to make savings across the organisation, but further savings would be required going forward and the first stage of a potential redundancy process, consulting all staff on voluntary redundancies, was underway. The separate process in relation to NSMC and the Scottish earned income projects would continue. Redundancy was traumatic for the whole organisation: Consumer Focus did not want to have to do it twice and efforts would be made to minimise the overall number of redundancies and to redeploy staff where appropriate. Strategic decisions on budgets would need to be taken at the next Board meeting.

**Action: Chief Executive**

- C.3 The Board discussed the criteria set out in the paper. In respect of *potential impact* it was agreed to look at timing and separate out what Consumer Focus could do and what others could do or carry on. In respect of *BIS funded budgets*, the Board agreed that cuts should not be pro-rata across the nations as it was important that both Wales and Scotland could maintain critical mass.
- C.4 Subject to comments in C.3, above, the Board **AGREED** the criteria set out in *A strategic approach to budget planning*.

**CLOSED SESSION ENDS**

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## **OPEN SESSION**

### **1 APOLOGIES AND ANNOUNCEMENTS**

- 1.1 The Chair opened by expressing a debt of gratitude to outgoing Chair Lord Whitty, whom she said would be a hard act to follow. She was pleased to have the opportunity to take up the Chair, albeit at a difficult time, and spoke highly of the Board, SMT and the Chief Executive. As she would continue working for Barclays on a part-time basis until December 2011, she would take no part in any discussions or decisions related to financial services and would ask the Vice Chair/s to take over the Chair in these circumstances.
- 1.2 Ed Gallagher, who had been a Board member of Consumer Focus since its inception, and was previously Chair of Energywatch, was attending his last Board meeting as his term of office expired in January 2011. On behalf of the Board, CF thanked him warmly for his direct, challenging and insightful contributions to Board meetings. Ed thanked Board members for their support and wished them well for the coming challenges.

### **2 DECLARATIONS OF RELEVANT INTERESTS**

- 2.1 The following interests were declared:
- RH, in respect of General Consumer Council Northern Ireland (item B)
  - RD, in respect of the Communications Consumer Panel (item B)
  - SAL informed the meeting he was newly appointed to the Consumer Financial Education Body

### **3 MINUTES OF PREVIOUS MEETING (24.03.10)**

The Board **APPROVED** the minutes of the meetings held on 3/4 November 2010.

### **4 ANNUAL PLAN 2011/12**

- 4.1 SAL updated the Board on the status of the annual plan which had been agreed with the working group. In the current circumstances, the plan was heavily caveated as provisional; it was a sound basis for consultation and he commended it. Board members agreed that it was important to be pro-active in speaking to stakeholders when consulting on the plan.
- 4.2 With some very small final amends, the Board **AGREED** the annual plan 2011/12 for consultation and thanked all who had worked on the document.

### **5 CHAIRS' ORAL UPDATES**

- 5.1 VS had nothing further to report on developments in Wales. DS was pleased to advise that health rights information funding in Scotland was now likely to be forthcoming for another year. RH reported that the ongoing work on north/south mail in Ireland was receiving good political interest and driving the debate forward.

### **6 BOARD COMMITTEES**

#### **6.1 HR Committee**

- 6.1.1 The Board had received the minutes of the meeting held on 3 November 2010. ER had reported on this meeting orally to the Board on 4 November.
- 6.1.2 ER reported orally on the meeting held on 15 December. The Committee had been impressed that the HR team led by Clare Roach and the SMT were delivering most effectively on a whole range of HR fronts, supporting staff and delivering a cultural transformation, despite the extreme challenges and very heavy workloads. Items had included discussion of the voluntary redundancy scheme, where the Committee had

stressed the need to ensure equity and fairness. There was concern about the uncertainty over TUPE and also about the ongoing government recruitment ban. The Committee would hold a special meeting in January on developments in the voluntary redundancy scheme.

6.1.3 The Board **NOTED**:

- the minutes of the HR Committee meeting held on 3 November 2010;
- the oral update on the HR Committee meeting held on 15 December 2010.

**6.2 Audit & Risk Committee**

6.2.1 CF thanked SD for agreeing to become Chair of the Audit & Risk Committee and advised the Board that the Committee had agreed to invite RD to join the Committee.

6.2.2 SD reported orally on the meeting held on 7 December. The Committee had considered the risk register and how to ensure that the right risks were being managed for both steady state and closure. SD and ER had agreed to meet early in the new year to discuss coordinating the work of the Audit & Risk and HR Committees. The Committee had received the 2010/11 audit plan from the NAO, whose advice was that the accounts would be done on the basis of an ongoing concern. A revised internal audit plan had been had requested for the March meeting and outstanding audit reports would be considered in January. The Committee was assessing its effectiveness and invited Board members to send feedback to the Committee Chair.

**Action: Board members**

6.2.3 The Board **NOTED** the oral update of the Audit & Risk Committee meeting held on 7 December 2010

**7 AUDIT & RISK COMMITTEE CHAIR AND MEMBERSHIP**

7.1 The Board **APPROVED** that SD be Chair of the Audit & Risk Committee and that RD be invited to join the Committee.

**8 CHIEF EXECUTIVE'S REPORT**

8.1 MO'C's report was taken as read. The six weeks since the last report had been extremely busy and staff continued to work under difficult conditions. The Board agreed the work was impressive and emphasised the need to ensure thorough follow up to achieve maximum impact for consumers. Consumer Focus continued to work with stakeholders and MO'C reported that he had just been invited to join a BIS group on collective buying. The Independent Banking Commission event had gone very well: RD had attended and his note would be circulated to Board members.

**Action: Secretariat**

8.2 MD highlighted the Extra Help Unit, whose workload was soaring due to adverse weather conditions – trebling in one week – but being managed, despite staff not being able to get in to the office: this achievement was applauded and commended.

8.3 The Board **NOTED** the Chief Executive's Report.

**9 MANAGEMENT ACCOUNTS**

9.1 The Board noted that the NAO management letter had been circulated as requested and Board members had no questions arising from the paper on Management Accounts circulated by the Director of Finance and Operations.

9.2 The Board **NOTED** the Management Accounts to 31 October 2010.

**10 MATTERS ARISING**

10.1 There were no matters arising.

**11 ANY OTHER BUSINESS**

11.1 The Chair advised Board members that she would be holding a meeting for all staff the following day at 3pm and would update them on the Board's discussions. The meeting would take place at Artillery House and Consumer Focus Wales, Consumer Focus Scotland and Consumer Focus Northern Ireland (Post) would join by videoconference. The Chair would try to hold such meetings regularly, say fortnightly, and fellow Board members were welcome to join in.

**12 REVIEW OF MEETING**

12.1 The Board agreed that the meeting had run smoothly and all items were dealt with appropriately. The meeting closed at 3.10pm

**13 NEXT MEETING**

13.1 The next meeting would be held on **10 February 2011 11.00am – 2.30pm**. If a Board teleconference were needed before then, this would be arranged.

<b><u>Signatories</u></b>	
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Chair, Consumer Focus	Date
.....	.....
Chief Executive, Consumer Focus	Date

## MINUTES OF MAIN BOARD MEETING: 16 December 2010

### ACTION POINTS SUMMARY:

Minute Item	Action	Owner	Timing	Status as at 2 Feb 2011
B.4	<p><b>Implementing changes to UK consumer bodies</b></p> <ul style="list-style-type: none"> <li>Paper on impact of budget reductions on the work programme and CF capacity to next Board</li> </ul>	CEO	February	Updates on all items to February Board
B.7	<ul style="list-style-type: none"> <li>support transfer of CF (Post) NI to GCCNI</li> <li>seek to work closely with CitA and CAS</li> <li>explore early agreement re energy, post, EHU</li> <li>policy piece: regulated industries</li> </ul>	Board, CEO, SMT	December onwards	
C.2	<p><b>Strategic approach to business planning</b></p> <ul style="list-style-type: none"> <li>Strategic decisions on budgets to be taken at the next Board</li> </ul>	CEO	February	To Feb Board
6.2.2	<p><b>Audit &amp; Risk Committee Self Assessment</b></p> <ul style="list-style-type: none"> <li>Board members to send feedback/comments to SD</li> </ul>	Board	December/January	
8.1	<p><b>Independent Banking Commission event</b></p> <ul style="list-style-type: none"> <li>RD's note to be circulated to Board members</li> </ul>	Sec'triat	December	Done
11.1	<p><b>Chair's meeting with all staff</b></p> <ul style="list-style-type: none"> <li>To take place on 17 December and regularly thereafter.</li> <li>Board members welcome to join in</li> </ul>	Chair  Board	December and ongoing	17.12.10 meeting held