

HUMAN RESOURCES & REMUNERATION COMMITTEE

ANNUAL REPORT 2010/11

Report agreed by the Committee for submission to the Board on 28 June 2011.

- 1 The Committee has delegated responsibility for HR matters at Consumer Focus on behalf of the Board and works to Terms of Reference approved by the Board. The Committee Chair reports to the Board after each meeting and minutes are submitted formally to the Board.
- 2 Committee members are Enid Rowlands (Committee Chair); the three nation Chairs: Vivienne Sugar (Consumer Focus Wales), Douglas Sinclair (Consumer Focus Scotland), Rick Hill (Consumer Focus Northern Ireland - Post); Stephen Locke and Anna Walker (to January 2011). All Committee members are non-executive Consumer Focus Board members.
- 3 The Consumer Focus Board Chair, Chief Executive/Accounting Officer, Finance and Operations Director and Head of HR normally attend meetings. Secretariat support is provided by the Consumer Focus Secretariat.
- 4 The Committee met six times in 2010-11. The announcement in October 2010 of the Government's intentions in respect of a Public Bodies Bill and the attendant implications for Consumer Focus had a significant impact on the work of the Committee during the year and agendas were adjusted to cover both business as usual and transition items.

Business as usual items included:

- HR updates and the forward workplan*
- HR data reports*
- HR policies and procedures*
- Staff/union representation
- Staff surveys
- Staff appraisal scheme and performance related pay
- Board development and appraisal
- 2010/11 pay remit
- Equal pay review
- Equality and diversity
- Learning and development
- CF restructure: Spring 2010
- Exit interviews update
- Workplace options (Employee Assistance Programme)

Transition items included

- HR implications of closure*
- Future staffing plans
- Reduction programme: voluntary and compulsory schemes

The items marked with an asterisk in 4 above were identified by the Committee as standing items, either stand alone or consolidated, and were normally reviewed at every meeting.

- 5 The HR updates and data reports had been refined during the year to become increasingly comprehensive and robust. All HR policies had been reviewed. The Committee took, and reported to the Board, the full assurance given that Consumer Focus now had a suite of policies which had been fully consulted on and were operational and legally compliant, and agreed that an external review was not required at this stage.
- 6 The 2009/10 round of the staff appraisal scheme was implemented successfully. It had been timed to coincide with the pay remit, but with the government's pay freeze in place, outcomes could not be linked to pay: however, the scheme retained the potential to be linked to PRP, should this become possible in the future. The restricted 2010/11 pay remit had been agreed and implemented. During the course of the year, the staff appraisal scheme was reviewed by a working group and the competency framework updated in time for the 2010/11 round to start in April 2011.
- 7 The Board development and appraisal process was in its second year. Lord Whitty had conducted individual Board member appraisals for 2009/10 and concluded that round with his report to the Board. The 2010/11 round was being conducted by Christine Farnish and was well underway by the end of March 2011 (the reporting period for this HR&RC report).
- 8 Equality and diversity was a recurring theme through the year, with the Committee focusing on the HR dimensions, including a review of the 2010 equality and diversity monitoring audit for all staff, which had a much improved return rate (75%+ in 2010 against 30% in 2009). The Equal Pay Review 2010 showed that Consumer Focus had more female than male employees and that the pay gap between average male and female salaries at each pay band was not deemed to be at a level to cause concern. An Equality and Diversity Impact Assessment System (EDIA) had been developed and applied across all HR policies. The overall equality and diversity policy was a Board wide responsibility: training for all members of staff and Boards took place throughout the year and the Board signed off the Consumer Focus Single Equality Scheme in March 2011.
- 9 The Committee endorsed a shift of emphasis from 'training' to 'learning and development'. While the significant reduction of funding arising from the government cuts reduced the size of this budget, learning and development was of vital importance and this change better reflected the shared responsibility of the individual and the organisation. The announcement of the Public Bodies Bill with its implications for the future of employees would place an even greater spotlight on the role of learning and development. The Employee Assistance Programme changed its name to Workplace Options but continued as an external resource for employees, with increased importance as the implications of external changes began to impact on individuals.
- 10 In April 2010 the union recognition agreement was signed, with Unite as the main partner as it had the highest Consumer Focus staff membership. Consultations ranged from business as usual issues such as the pay remit and HR policy work, to the challenges of the staff reduction process necessitated by funding cuts and the changed external environment. Effective working between the union and Consumer Focus proved vital and valuable throughout the year.

- 11 A planned restructure of GB teams took place in the Spring of 2010. Unfortunately the Public Bodies announcement together with significant funding reductions then made it necessary to consider an organisation wide staff reduction programme. Following detailed consultation, the voluntary and compulsory redundancy schemes were completed in the Spring of 2011. Feedback from trade unions and most staff was that the process had been robust, fair and transparent, and BIS had indicated that they would adopt some of this process for their own purposes.
- 12 This was only Consumer Focus's second full year. It proved to be a year of exceptional challenge just as the full potential of the organisation was beginning to flourish and the impact of the work being realised. It is a tribute to all that Consumer Focus is doing excellent work and employees have continued to work through the ongoing uncertainty with energy and determination. Maintaining this position will become even more challenging over the next period. Both business as usual and transition issues, such as the ultimate transfer of staff and applicability of TUPE, and the ongoing focus on staff motivation and retention will continue to be discussed at every Committee meeting.
- 13 The Committee commended the work of the SMT, the Finance and Operations Director and the Head of HR and her team for their careful and sensitive handling of very difficult matters, whilst also continuing to deliver effectively on business as usual functions.
- 14 The Committee reviewed its effectiveness and had already planned to review its Terms of Reference in 2010. The revised Terms took account of the Government's announcement of its proposals in relation to the consumer landscape and the implications for Consumer Focus. Three additional key objectives specific to the transition process were incorporated and the HR&RC and Audit & Risk Committee agreed to coordinate their work on closure. Committee member Anna Walker stood down in January 2011 because of additional external commitments; the Committee agreed, and the Board approved, that with the experience base of the continuing membership, it was not necessary to recruit another member. The revised Terms of Reference for the Human Resources and Remuneration Committee were agreed by the Committee in January 2011 and approved by the Board in February 2011.