

Consumer Focus Board

Paper 4

Title: CEO Report

Purpose: For information

Date of meeting: 30 March 2011

Responsible officer: Mike O'Connor

Prepared by: Mike O'Connor and SMT

Attachments: Directorate and national reports

1. Overview

- 1.1 The attached papers show impressive performance since the last Board meeting. Such is pace of our work these papers were drafted before a number of significant events. Ofgem published their Retail Market Review and their findings and proposals reflect the diligent and expert work done by Consumer Focus and its predecessor energywatch. Consumer Focus Scotland published an important report on land management companies calling for a change in the law to protect consumers who are unable to change providers where they are experiencing problems.
- 1.2 We published our document "Regulated industries and consumers" which shows how there has never been a greater need for the interests of consumers to be effectively represented. Over the next two years alone £200 billion needs to be invested in infrastructure in energy, water, rail, communications and airports. Consumer bodies face the challenge of making a contribution to these plans in order that they are good for both economic growth and reflect the needs of all consumers. The document has been well received and we have been invited to make a number of presentations on the findings, e.g. to Philip Lowe, DG of the Energy of the Energy Directorate at the European Commission and the Chief Executive of Infrastructure UK (IUK), the Unit within the Treasury responsible for developing a plan for the nations' infrastructure.
- 1.3 The public consultation on the future landscape for consumer organisations will start after elections in Scotland and Wales. Discussions continue with Citizens Advice and Citizens Advice Scotland on the transfer of our functions in 2013.
- 1.4 We have completed the reduction programme and a number of posts have been made redundant and people have opted for voluntary redundancy. Looking back over the year the number of people we employ has fallen from about 195 to about 155. We have lost valued colleagues but we have and will continue to produce work bringing real benefits to consumers, e.g. consumers have received more than £50m in refunds from nPower following our work with the company.
- 1.5 We have received written confirmation of our funding from BIS for 2011/12. The following table shows the budget and how it has changed. In particular the amount of funding we receive from taxation has fallen to £3.5m with the balance (72%) being funded by levies on energy and post companies.

£m	Energy	Post	Non post and energy	Total
2009/10	6.5	3.4	6	15.9
2010/11	5.7	3	5.1	13.8
2011/12	5.7	3	3.5	12.2

- 1.6 As a result of these changes the “shape” of the organisation is changing – we have less capacity to work on non post and energy matters. This will involve a restructure of our GB function where we have dedicated teams on post, energy and other sectors of the economy. The 32% cut in our budget for the rest of the economy means that we have to look again at the work we do in this area and make a judgement as to whether the current structures are sustainable, some teams only contain two or three people. Such restructuring is disruptive and given our short life it is more than normally important to minimise such impacts. As far as possible I want to accommodate colleagues’ aspirations and help them build their skills for the future. I am talking with colleagues about the best course of action.
- 1.7 I am also talking with colleagues on how we can retain staff for the remainder of the organisation’s life. We have been weakened by losing key staff. We cannot stop people from leaving but we will do our best to create the conditions that make people want to stay. We have been exploring with BIS the possibility of retention payments and will continue to do so but they will be difficult to obtain. I expect that BIS would only agree such payments for some staff, i.e. those who were judged essential to manage the orderly close down of the organisation. This could be divisive.
- 1.8 It remains uncertain which of our functions may transfer elsewhere and whether jobs transfer with them. This is one of the things we are working hard to bottom out in discussion with BIS. Whether or not there are jobs for us in future bodies we should all prepare for the next steps in our careers. We want to help staff build their skills in a way that helps them secure the next job, wherever it may be.
- 1.9 We are also looking at options such as:
- Secondments – internal or external;
 - Mentoring - relationship with a more senior member of staff or possibly from outside the organisation who would help staff develop their career;
 - Outplacement support;
 - Help in CV writing ;
 - Extended access to external events e.g. conferences, think tank events, etc. in order to help build people’s knowledge and networks.
- 1.10 We have been consulting on our draft work plans for GB, Scotland and Wales and the proposed plan for GB work is before the Board at this meeting. Boards in Scotland and Wales will be asked to agree their work plans next month. I am glad to report that the number of responses we have had to our draft work plans has been greater than ever. I believe this represents growing support and interest in the work we do.
- 1.11 We have moved offices in Cardiff and London and I am glad to say that the process went smoothly and I would like to pay tribute to all involved.