

Consumer Focus Board

Paper 7

Title: Budget 2011/12

Purpose: For information

Date of meeting: 30 March 2011

Responsible officer: Graham Clark

Prepared by: Graham Clark

1 Overview

- 1.1 Our grant for 2011/12 was confirmed on 16th March as £12,588,000. The reduction from this year's budget disproportionately affects our work on non post and energy markets where we will have 31% less.

£m	Energy	Post	Other	Total
2009/10	6.500	3.400	6.000	15.900
2010/11	5.746	3.006	5.133	13.885
2011/12				
Programme /admin	5.774	3.124	3.540	12.438
Capital	-	-	150	150
Total	5.774	3.124	3.690	12.588
Share of total	46.4%	25.1%	28.5%	

- 1.2 In 2010/11 we have had to achieve savings of £1.8m in year due to budget cuts and we have to reduce expenditure by a further £1.5m to achieve our budget next year. So in total we have had to "take £3.3m out of the business". We have achieved this through office moves, changes in IT, legacy property, reducing external spend, freezing recruitment and redundancies. Given the differential cut in our budgets we are re balancing the budget across all three sectors to match expenditure to the respective grant levels. This has been achieved by three key actions:

- reducing external programme spend in the non post and energy sector;
- reducing staff costs by taking out vacant posts and planning to move some staff into Energy or Post vacancies;
- changing allocation of general costs to sectors based on grant level

2 Budget headlines

2.1 Programme Spend

£	Energy	Post	BIS	Total
GB	379,000	251,000	250,000	880,000
Scotland	159,200	27,500	38,300	225,000

Wales	42,000	85,000	54,000	181,000
Northern Ireland	-	45,000	-	45,000
Total	580,200	408,500	342,300	1,331,000

2.2 Contingency Fund / Additional costs

Subject to Parliamentary approval we will be abolished and we understand that the earliest this can be achieved is April 2013. We face challenges in maintaining our service to the public over the next two years, something which Government has made it clear that they want us to do. To manage this period of change we have established a contingency fund to help meet the challenges ahead. In broad terms this will fund:

	£000
Training / development to aid retention	150
Transition staff / costs	150
Recruitment cost	50
Advice / Fees	50
Total	400

3 2012/13

- 3.1 The budget for 2011/12 has been achievable with some pain and the loss of key colleagues and future capacity. We were also fortunate to have been able to downsize two of our offices, our IT network and benefit from excellent management of the legacy buildings. The scope for future cost savings applicable to the non post and energy parts of our work are now very limited and a further significant cut would have severe implications to our work outside Energy and Post and especially for our work in Scotland and Wales.
- 3.2 Following the approval of the 2011/12 budget we will produce a draft budget for 2012/13 to scope possible impacts of reduced grant levels.

4 Recommendations

The Board are asked to

- 1 Approve the 2011/12 budget.
- 2 Note that some detailed work will still be required once the 2011/12 work programme and GB structure has been agreed.