



**Consumer
Focus**
Campaigning for a fair deal

Annual Report and Accounts

2010/11



Consumer Focus

Annual Report and Accounts 2010/11

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About Consumer Focus

Consumer Focus is the statutory consumer champion for England, Wales, Scotland and (for postal consumers) Northern Ireland.

We operate across the whole of the economy, persuading businesses, public services and policy-makers to put consumers at the heart of what they do.

Consumer Focus tackles the issues that matter to consumers, and aims to give people a stronger voice. We don't just draw attention to problems – we work with consumers and with a range of organisations to champion creative solutions that make a difference to consumers' lives.

A message from the Chair

Consumer Focus has continued to advocate effectively on behalf of consumers across Great Britain in energy, post, and other markets, and for post in Northern Ireland, despite facing a number of significant challenges. The difficult economic environment, changes to public services, pressure on prices and major changes in many regulated industries has made 2010/11 a testing time for us as we work for consumers.

As this report demonstrates, we have continued to deliver results for today's and tomorrow's consumers across the UK, despite absorbing budget cuts of 25 per cent over the last two years.

The Government announced last October that it intended to abolish Consumer Focus as part of its programme of consumer landscape reform. This is currently being consulted on in the landscape review.

We support the broad objectives of reform: more cost effective use of public money and more effective outcomes for consumers.

The implementation of these reforms will be dependent on final decisions on the future of our functions. We await those decisions and we will seek to manage the risks and uncertainties that flow from them.

We are determined to continue to deliver effective representation on behalf of consumers until our functions are transferred. This is particularly the case in complex regulated industries where decisions today may be invisible to citizens and consumers but can profoundly affect their interests down the track. We are working actively and constructively with Citizens Advice, Citizens Advice Scotland and others to ensure a smooth transition.

We believe the work we do delivers a very good rate of return on public and industry levy funds. It is strongly in the public interest that the kind of consumer advocacy work that we have powers to undertake in complex markets and essential services is continued by successors in the new consumer landscape.

I felt privileged to have taken over the Chair of Consumer Focus from Lord Whitty in December and would like to thank the Board and staff for their work over the past year.



Christine Farnish
Chair

A message from the Chief Executive

This has been a year in which Consumer Focus has won major victories for consumers. Our work led to more than £50 million being repaid by energy companies. Our intervention in the ISA market is making savings of £15 million per year for consumers. That sort of victory can be felt directly by consumers.

However our work is not just about putting money back in people's pockets, welcome though that is. Consumer Focus has been an advocate for consumers in those issues that can determine the way in which we will experience essential markets and services in the years to come.

Our arguments, made over many years, on the weaknesses of the energy markets have been borne out in Ofgem Retail Market review. Our evidence and advocacy have started to raise the likelihood of a better balance between the interests of energy companies and of consumers.

The passage of the postal services bill will usher in a wholesale transformation of our postal service and post office network. No other consumer body is able to ensure that the nature of this transformation should benefit consumers at the same time as making these services more sustainable in the future.

Public service reform will change the way in which consumers engage with some of the most essential services and these reforms will differ across Scotland, Wales and England. Our work has set a benchmark for engaging with the consumers of these services and putting their interests at the heart of service design.

Fostering a dynamic digital economy means creating markets that work for consumers. The world of copyright law is complex and forbidding. It has been a barrier to an effective digital marketplace. We have doggedly pursued reform of our outdated copyright system and we are starting to see the benefit as many of our arguments have emerged in the Hargreaves' review.

In Wales our work on food hygiene has been a catalyst for co-ordinated action on a critical issue of public health. In Scotland we have taken huge strides in bringing the principles of consumer engagement and consumer centred provision to the very heart of how public services are conceived. We are also looking forward to taking on advocacy services for water customers in Scotland following the decision of the Scottish Government.

Despite these successes for consumers, it has been a very difficult year. The Government's announcement that it wishes to abolish Consumer Focus and transfer some of our functions to other organisations (currently out for consultation) is likely to take effect in April 2013.

Until then we will face two challenges, and no small amount of risk. Firstly, until such time as Parliament passes the baton to someone else, we must continue to deliver for consumers in complex markets which are changing rapidly and where decisions taken over the next few years will affect consumers for a generation. Secondly, we must transfer our skills and assets, built up not just over our lifetime but the 35 year span of our predecessors, to those who come after us.

We face these challenges in an environment of great uncertainty. We must meet them if we are to ensure the continuation of the expertise that has done so much to make complex markets and services work better for consumers. The prize is the effective representation of consumer interests which will be good not just for consumers but also for economic growth. Over the coming year we will strive to make a constructive contribution to that debate.



Mike O'Connor CBE
Chief Executive

Our reports and consultation responses

March 2011

Competition in postal markets – a small consumer perspective

Watching the middlemen – Brokerage services for micro-business energy consumers

Access for all – Making the Green Deal a fair deal

Green deal or no deal? – Building consumer confidence in energy efficiency services

Regulated industries and the consumer – Fresh thinking

Informing choices – Consumer views of energy bills

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Reforming the consumer credit regime (HMT)

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Alternative Dispute Resolution (EC)

Electricity Market Reform (DECC)

Simplifying non-geographic numbers (Ofcom)

Mental capacity (OFT)

Domestic rollover (Ofgem)

Independent review of Intellectual Property and Growth (IPO)



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Opening the door – Examining the potential for reputational regulation of private rented sector landlords

Reaching the fuel poor – Making the Warm Home Discount work

Room for improvement – The impact of EPCs on consumer decision-making

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MMR Distribution and Disclosure (FSA)

Proposed corporate strategy and plan (Ofgem)

Call for evidence: Principles for economic regulation (BIS)

Draft annual plan 2010/11 (Ofcom)

Draft annual plan 2011/12 (OFT)

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Strategy for the next gas distribution and transmission price controls (Ofgem)

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Competition, copyright and collective rights management – a consultation

Fair enough? – the FSA's Treating Customers Fairly initiative

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Green paper on contract law (EC)

Classifications of domestic customer and premises (Ofgem)

Raising government programme supplier threshold (DECC)

Proposed modifications to SLC23 (Ofgem)

Personal data protection in the European Union (EU)

Laying the foundations for a sustainable postal service January 2011 (Postcomm)

Digital and Creative Industries Growth Review call for evidence (HMT)

Modernising Commissioning (Cabinet Office)



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A private green deal –

The case for minimum energy efficiency standards in the private rental sector

Draft Annual Plan for consultation

Ups and down(loads) –

Consumer experiences of buying digital goods

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Data storage within the meter – Joint with NO2ID, Privacy International, OII (Ofgem)

Draft consideration paper for Smart Meter Design Group (BEAMA)

CP 10 21 Consumer Complaints (FSA)

Managing Borrowing and Dealing with Debt (BIS)

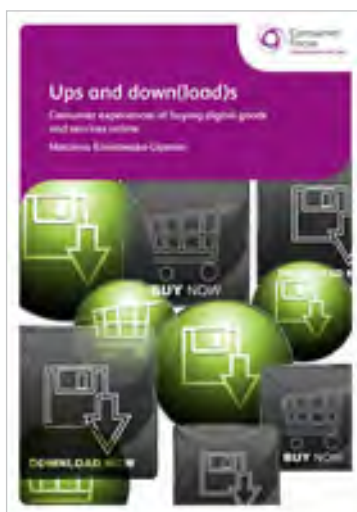
Legal deposit of non-print works (DCMS)

Energy performance of buildings (CLG)

Investigatory Powers Act 2000 (Home Office)

Notification of online infringement of copyright initial obligations sharing of cost order (EC)

The implementation of the revised EU electronic communications framework (BIS)



November 2010

The economic impact of consumer copyright exceptions – A literature review

Energy billing summit – summary of presentations

Equipment for older and disabled people – an exploratory market study

Consumer needs from a sustainable universal postal service in the UK

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Setting the value of claims heard in the Patents County Court (MoJ)

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Mortgage Market Review Responsible Lending (FSA)

Project Transmit (Ofgem)

e-commerce (EC)

Health white paper (DoH)

Information technology and intellectual property (Liberal Democrats)

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The police service – Consumer experiences with the police

Small claims, big claims – Consumers' perceptions of the small claims process

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Stick or twist? – An analysis of consumer behaviour in the personal current account market

Now cast for fuel poverty

Unleashing the new consumer power – Fresh thinking

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Smart Metering Implementation Programme Rollout strategy (DECC)

Smart Metering Implementation Programme Data Privacy and Security (DECC)

Consumer Focus response to Smart Metering Implementation Programme Consumer Protections (DECC)

Smart Metering Implementation Programme In-home display (DECC)

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Mortgage Market Review (FSA)

Directgov review (Cabinet Office)

Policing in the 21st century reconnecting police and the people (Home Office)

Net neutrality (EC)

Foodborne disease strategy 2010-2015 (Food Standards Agency)

Revision of typical domestic consumption values (Ofgem)

Review of Ofgem (DECC)

GB wholesale electricity market liquidity summer 2010 assessment (Ofgem)

Regulating energy networks for the future (Ofgem)

Lending Code Review (HMT/BIS)

Net neutrality (Ofcom)

Postal VAT (HMRC)

Call for evidence – review of Ofgem (DECC)



August 2010

Keeping the plates spinning – Perceptions of payday loans in Great Britain

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Laying the foundations for a sustainable postal service (Postcomm)

Call for evidence – Consumer Rights Directive: Allowing contingent or ancillary charges to be assessed for unfairness (BIS)

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Cutting back, cutting down, cutting off – Self-disconnection among prepayment meter users

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Tackling abandoned and silent calls (Ofcom)

Transparency and integrity of wholesale markets (EC)

New code (PhonepayPlus)

Barriers to entry consultation (EC)

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Rethinking financial services

– A review of our Focus on Finance seminars

On the margins – Society's most vulnerable people and banking exclusion

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Wholesale mobile voice call termination (Ofcom)

Social Fund reform (DWP)

Review of consumer complaints (emerging risks and mass claims) (FSA, FOS and OFT)

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2008/2009 Guaranteed Standards of Performance for electricity distribution

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Camelot's application to offer ancillary services through National Lottery Infrastructure (National Lottery Commission)

Review of non geographic calls services (Ofcom)

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Making better use of Energy Performance Certificates and data (CLG)

Online infringement of copyright (initial obligations) cost sharing (BIS)

Consumer redress schemes in gas and electricity (BIS)

Proposed changes to mobile phone porting (Ofcom)

Supply License Condition 23 (Ofgem)

Universal service principles in e-comms (EC)

Call for evidence on generation adequacy treatment in electricity (ERGE-CEER)

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Liquidity proposals for the GB wholesale electricity market (Ofgem)

TPCR4 scope of adapted rollover consultation (Ofgem)

RPI-X emerging thinking consultation (Ofgem)

A fair deal on energy



With stubborn problems in the energy market and a number of government initiatives intended to transform the way that people use energy, our goal was to put consumer welfare and consumer empowerment at the heart of a significant reform agenda and to keep up the momentum for a market that provides better value and service.

Influencing the big decisions

Consumer Focus is unique in understanding how consumers are affected by what can seem obscure ‘upstream’ issues and how **major market transformations** have the potential to benefit or cause more problems.

Much of our work over the past year has been focused on **making sure that the consumer voice is heard** in those major reviews and decisions that will determine the future shape of the energy market. This work is technical and demanding. While the benefits may not be felt immediately, they are immensely important to consumers. We will continue to play a leading role so that these transformations are designed from the start to provide all consumers with energy efficient homes, affordable energy and lower carbon electricity.

Ofgem’s **Retail Market Review** concluded that radical reform was necessary if consumers are to be treated fairly. This follows years of argument and evidence from Consumer Focus and is a vindication of our advocacy on behalf of consumers. Ofgem has decided the significant concerns we identified in our major submission of evidence about the structure and operation of the energy market have merit and require action. Issues included barriers to large new entrants, poor levels of transparency, dubious pricing patterns and complex tariffs.

While the benefits may not be felt immediately, they are immensely important to consumers

Smarter metering has the potential to radically improve the experience of consumers so long as the right technical standards, market safeguards and consumer protections are in place. The last year involved innumerable working groups, consultation responses, engagement with officials and companies. But this work is important and we were the consumer voice at the heart of the programme.

This commitment has borne fruit. Our contribution and campaigning have been reflected in both the Ofgem Spring Package of consumer protections and in the decisions outlined in the Government prospectus response. These are significant steps forward to make sure that the needs of consumers are not neglected in an immensely complex and demanding infrastructure project.

A lot rides on the **Green Deal**. To be a success it must engage with and work for all consumers and households. Our research and advocacy has helped to set the right success criteria for this enormous project. **Access for All** considered different scenarios for the Green Deal, including how interest rate levels and other measures could affect consumer reactions. It made decision makers focus on how the scheme could be accessible to different householders, throwing up key issues about energy efficiency measures for tenants, low income households and people with a poor credit history.

Green Deal or No Deal used Consumer Focus’s cross-sector evidence base to consider consumer confidence in this new market. We set out the 10 policy challenges that will determine whether the Green Deal will succeed in driving real change to consumer behaviour. Our report **Room for Improvement** showed how **Energy Performance Certificates** could be a useful element of Green Deal, while highlighting the need for improvements.

Consumer Focus gained new voting rights last year on the **Uniform Network Code**, the main industry code governing the gas sector. This reflected the valuable role that we play in providing extensive and well-evidenced contributions on what consumers need from the industry. Our evidence included the format and content of the settlements that determine network charges and services (price controls); the approach to lost or stolen energy; and ensuring consistent supply. In many areas of activity, these are crucial issues for setting the rules of the industry and more often than not we remain the sole consumer voice.

The Government's **Electricity Market Review** (EMR) must deliver on its objectives of carbon reduction and security of supply. We support its aims but continued to be a clear voice for the consumer throughout the process. The argument for affordability must be balanced in the move to low carbon generation and the maintenance of security of supply.

The EMR suggests that wholesale electricity prices may double by 2030 in real terms even under existing policies. The EMR proposals will inflate them still further at least until the mid-2020s. We help Government to find ways to help consumers help themselves. We make sure efficiency programmes, such as the Green Deal, smart meter roll-out and the new Energy Company Obligation, are effective and attuned to consumer needs. We are also working to remove barriers to entry and competition to ensure that costs are kept to a minimum.

However, given the upward trend on energy prices and other economic pressures, one of the biggest decisions is how to protect those at risk of **fuel poverty** from the worst effects of higher energy prices. Despite this testing context we have been able to achieve some steps toward a coherent fuel poverty strategy.

Our *Now Cast for Fuel Poverty* estimated that four million households in England were in fuel poverty in 2010. It also found that fuel poverty was particularly high among the poorest 10 per cent of households, single older people, lone parent families and unemployed people.

Our research on energy efficiency in private rental housing helped make the case for **minimum energy efficiency standards** in the sector. The Government has since announced a ban, from 2018, on renting out properties that only meet Energy Performance Certificate (EPC) bands F and G – classed as excessively cold.

We helped to persuade the Government to retain the **Warm Front** energy efficiency grant scheme for low income consumers, albeit at a lower level. We have highlighted the problems low income consumers might face with the Green Deal and persuaded Government that the new **Energy Company Obligation**, starting in 2013, should prioritise low income and vulnerable consumers.

Another step forward has been the recognition that energy companies need to be told which groups of people they should target for help with lower bills through the **Warm Homes Discount**. Older people on low incomes are in desperate need of cheaper energy bills but so too are the poorest families and disabled people. The Government has already recognised that poorer families and disabled people, as well as pensioners, need priority help to make their homes more energy efficient.

*We help
Government
to find ways
to help
consumers
to help
themselves*

We work very closely with the European Union institutions across the range of energy matters with many of our recommendations being adopted by the EU Smart Grids Task Force and in the EU Energy Efficiency Plan. For example, the European Parliament Resolution on the Energy Efficiency Action Plan picked up our call for national programmes to deliver the potential benefits of smart meters to consumers.

Promoting the need for affordable energy is a key part of our European advocacy programme. We have argued for the European Parliament to tighten the application of the regulation on the integrity and transparency of the energy wholesale market. We also play the leading role in the European consumer delegation to the Annual Citizens Energy Forum which, together with national energy regulators and industry, reviews the operation of energy retail markets and proposes measures to improve the consumer experience.

As the Department of Energy and Climate Change (DECC) implements the new third EU energy framework package, legislation currently proposes new statutory powers for Consumer Focus. These are in relation to the presentation of a checklist of consumer rights and to the appeal of changes to the energy supply licence conditions.

Making consumers more powerful

Effective markets need powerful consumers to keep companies focused on good value and service. One of the main barriers to consumer empowerment is the quality of information available. Sales material, account statements and service performance data should enable consumers to make informed decisions. Empowering consumers is not simply a matter of providing information, but it is a necessary condition for success. Consumer Focus has been at the forefront of improving the quality of information available.

Effective markets need powerful consumers to keep companies focused on good value and service

Significant price rises toward the end of 2010 were followed with thinly veiled warnings of much more to follow. With customers looking to change tariff or supplier to protect themselves, we published an open letter to Ofgem detailing our research on the growing proliferation and **complexity of energy tariffs**. This complexity works to disempower consumers. Ofgem agreed, saying that energy suppliers were ‘bamboozling’ consumers and that addressing the confusion they cause was a key target of their Retail Market Review.

Online price comparison sites have transformed the ability of consumers to search the energy market in their own time and without undue sales pressure. Consumer Focus encourages energy customers to shop around on a switching site accredited by our **Confidence Code**. This

year we updated the Code, to reflect changes in tariffs and terms and conditions, so that consumers could continue to get the most accurate and reliable information in an ever more complex market.

Consumers also need to be on their guard against outright scams. Energy companies and Consumer Focus came together to warn households

using prepayment meters that an estimated 85,000 households had been affected by a **doorstep scam** which seemed to offer cheaper electricity meter top-ups but just ended up with consumers paying twice.

Consumer Focus and our online innovation team CF Labs have continued to improve our information and advice on energy related services. Our tools allow people to find out what grants and discounts they are entitled to, how the energy suppliers are performing and how much different tariffs and suppliers cost. We call these tools the **Energy Apps**. In particular we have improved the Consumer Focus energy price comparison charts and price alert service.

Often the only contact a customer has with their supplier is through the bill. These have traditionally been obscure and technical documents that have confused and infuriated in equal measure. This year we hosted a **billing summit** to discuss how bills could be improved and to gauge reaction to DECC's proposals for new information on energy bills. Attendees included representatives from all domestic energy suppliers, Ofgem, DECC, Energy Retail Association, Energy UK, Which? Age UK and energy price comparison sites. Bills have got better but they are still the number one complaint for consumers and we will continue to work with suppliers to make improvements.

We help consumers understand how well, or poorly, energy companies serve their customers. For many people, especially those who have suffered very poor customer service, choosing a company on the basis of how well they treat their customers can be every bit as important as price. This year we started to publish a quarterly **league table** showing relative performance in customer service for the Big Six suppliers based on the most comprehensive energy complaints data available. This gives consumers access to the information they need to make informed switching decisions. It also provides a great incentive for the industry to focus and compete on the quality of their customer service.

At the very sharp end of consumer empowerment, our **Extra Help Unit** helps people with urgent and pressing problems, including the threat or reality of being disconnected from supply. Caseworkers at the EHU helped 5,272 energy consumers and achieved £817,000 in compensation in the last year. However the main success for the team, based in Glasgow, was keeping thousands of households connected, warm and free of the sapping anxiety that comes along with the threat of disconnection.

Making markets work for consumers

In 2010 Consumer Focus agreed a programme of **repayments with npower** to over one million of their customers who had paid more than expected following a change to the way that bills were calculated. By March 2011 more than £55 million of the total available £70 million of refunds had been claimed. With payments of up to £100, and an average of £35 plus VAT and interest, the payment could make a big difference to cash-strapped consumers. It shows how Consumer Focus can work closely with a supplier to find workable solutions to very challenging problems.

Cutting back, cutting down, cutting off

highlighted the plight of up to 1.4 million people living in homes with **prepayment meters** that have cut off their own energy supply in the last year. Almost half of households that disconnect their energy are home to someone with an illness or disability, and two in five are home to children under 16.

We help consumers understand how well, or poorly, energy companies serve their customers

That research enabled us to reach a new agreement with energy suppliers that will bring definite benefits to customers with prepayment meters. Suppliers have signed up to **Five Key Principles** to improve the way prepayment works, provide extra support for vulnerable consumers and encourage better communication between suppliers and customers.

We have always challenged misleading and unfair selling. Last year we persuaded Ofgem to investigate the **doorstep and telephone energy sales practices** of four major energy suppliers. Consumer Focus and the Trading Standards Institute also joined up to press energy companies to respect the wishes of people who live in recognised 'no cold calling zones' or display signs saying no to cold callers.

The updated **EnergySure Code** now says that sales agents will not call on premises in recognised no cold calling zones where there is a message prominently displayed.

Our December 2010 research into energy brokers for the **micro-businesses market** showed the need for better consumer education; greater controls over third party intermediaries services; and raised concerns about the way commissions are disclosed.

We are working with the energy companies to understand how suppliers treat micro-businesses

We are working with the Office of Fair Trading and Ofgem to clarify regulatory jurisdiction for this market and we will continue to press for better service for micro-businesses.

As well problems with sourcing a new deal, our report *Small business, big price* showed the range of problems micro-businesses face when in debt and reflected the practice of different suppliers when disconnecting those businesses.

This is part of a larger project where we are working with the energy companies to understand how suppliers treat micro-businesses, highlight poor practice and establish a new system of minimum standards.

A fair deal on post and in the Post Office



Change for the Royal Mail and the Post Office network is critical but a focus on putting the services on a sustainable footing cannot neglect basic questions of value and service to consumers. Our goal for the year was to ensure that the interests of consumers were heard loud and clear and to avoid a loss of focus on quality of service during the upheaval.

Influencing the big decisions

The **Postal Services Bill** prepares the ground for the sale of Royal Mail, and the wider transformation of the mail market and its regulatory framework. It will also provide the opportunity for an independent Post Office Limited (POL) to set out a new strategic vision for the Post Office network.

Throughout the passage of the bill we made sure that parliamentarians were not only focused on sustainable business models but on the core purpose of Royal Mail and the Post Office network: the effective delivery of services that consumers need. Our briefings and evidence to two parliamentary committees made sure the consumer voice was heard.

Throughout 2010 Consumer Focus arranged a unique series of events in England, Wales, Scotland and Northern Ireland where leading players in the postal services market came together and considered the **future of the mail market** and of the **Universal Service Obligation** from the perspective of the consumer. This was the first time these issues have been put through such detailed scrutiny throughout the UK from a consumer perspective. The direct result was a more precise articulation of the consumer interest in these services.

Following these seminars Consumer Focus and Postcomm conducted **joint research** into what consumers need from a **universal postal service**.

This major new piece of research surveyed the needs of postal customers and tested their views on potential changes to the postal service.

The key message was that both residents and small businesses are **tolerant of reasonable and realistic changes** to the universal postal service. However, consumers did indicate their preferences for different options. They would be prepared to accept a moderate increase in prices and a slight reduction in the quality of service to retain other aspects of the current service. They are also prepared to consider dropping to five days a week collection and delivery, although for small businesses losing a weekday was the least acceptable change proposed. This comprehensive piece of research represents the first step in ensuring the future of a sustainable universal postal service that is fit for consumers.

Our briefings and evidence made sure the consumer voice was heard loud and clear

Our Post and International teams have established the same level of authority and impact in Brussels on postal services that we enjoy on energy. We are recognised as the critical consumer voice on postal matters for the European Institutions and are likely to sit on the **High Level Group** being established by the Commission.

One decision that will have a considerable impact on consumers will be the implementation of the Post Office Locals model. The Post Office network faces significant restructuring in the next few years. One in six post offices and one in five sub post offices will be converted into a totally new operating model – Post Office Local. For millions of consumers, this means their local post office service will undergo major changes. As part of the restructuring, many existing post offices will close, and services will transfer into nearby shops, petrol stations or other existing retail facilities.

Our research into consumers' experience in the pilot areas showed how Locals will need to balance the greater convenience with the sense of privacy and service that people associate with post offices.

Local But Limited argues that Locals could play a constructive role in securing the future of the network – but only if POL commits to improvements to the operating model and to implementing Locals effectively.

Making consumers more powerful

Christmas is one time when consumers pay attention to the value and service that they get from Royal Mail. This year we set out to make sure that people thought about how they could get a better deal from their postal service. Consumers could save £67.5 million by sending their **Christmas cards** second class. At this time of year second class represents much better value for consumers than first class. Royal Mail's Quality of Service figures show that only just over half of items sent using first class arrive the next day, but over 90 per cent of items sent using second class arrive within three days. Other empowerment tips included a reminder of the last Christmas posting dates and pricing in proportion guidelines, plus advice on how to skip post office queues and the best way to send valuable items.

In September 2010, we published the findings of our survey of first class mail service performance between **Northern Ireland** and **Great Britain**. This was a robust piece of research measuring the delivery times between 30 locations across Northern Ireland and 60 locations across Great Britain. The results showed that performance falls substantially short of the 93 per cent by next working day national delivery target set out in Royal Mail's licensing conditions.

In fact, only 80 per cent of first class mail met this target, with an average of 1.26 working days for post to be delivered. This is substantially below public expectation. We carried out an empowerment campaign to alert consumers to the need either to **post earlier** to secure delivery by the necessary date or, if time is not important, to use second class mail to achieve better value for money.

We campaign for consumers and local communities to have a bigger say in what they need from their local post office. This year we completed a review of the **Code of Practice** which determines how POL manages 'business as usual' changes to the network. The code will now keep local people better informed about temporary closures, provide a telephone hotline for people to find out about service issues and ensure consultation with local councillors about service changes.

For people who are not content to be merely informed but who want to make sure service is appropriate for local needs, our Post Office and CF Labs teams created an interactive guide to show how local communities have already taken over the **running of their local post office**. The site helps local people think through business models and community governance issues. It also makes it easier for local people to take over and maintain post office services and shops in their communities.

Almost 30,000 consumers signed up to the CF Labs designed **StayPrivate.org** in just over six months. The site provides a free and easy way of opting out of receiving junk mail and sales calls by simplifying the process of registering with the Direct Marketing Association's various preference services. Business customers can now also sign up to the Corporate Telephone Preference Service and the Fax Preference Service.

Making services work for consumers

Royal Mail suffered a dramatic delivery **performance slump** in the fourth quarter of last year with only one in three first class items arriving the following working day. Royal Mail report this resulted from disruption caused by the severe weather and are seeking adjustments to its performance tracking. We monitor Royal Mail's performance very closely.

Until mid-November the weather was better than average and delivery issues caused by adverse weather were only resolved in mid-January, long after the severe weather had abated.

This year Consumer Focus wrote to Royal Mail calling for it to raise its game in two key areas: the roll-out of its **modernisation programme** and its **complaints handling process**. We have been concerned at the impact of the modernisation programme on local services, with reports of huge backlogs and deliveries delayed until 8pm in some affected areas. We also called for Royal Mail to give more priority to keeping consumers informed of local changes to delivery routes and office locations. Currently, one of the biggest communications companies in the world only provides information to residents and small businesses through its website and leaflets in delivery offices. It is also clear that consumers face difficulties when making and escalating complaints to Royal Mail. These include problems with using Royal Mail's online and telephone contact handling systems, insufficient sign-posting for complaint escalation and very low satisfaction following a complaint. We made it a priority to work with Royal Mail to make the service work better for consumers.

Findings from our regular Northern Ireland Annual **Post and Post Office Consumer Satisfaction surveys** led us to publish a report on Royal Mail delivery failure and the subsequent consumer experience in trying to retrieve a mail item.

We have asked Royal Mail to review and increase enquiry office opening hours, including better display of publicity for opening hours and better parking and physical access. But, above all, they need to do far more to develop innovative and flexible delivery solutions reflecting the realities of modern life and the limited times people are home during the day.

Consumers face difficulties when making and escalating complaints to Royal Mail

Our report *Sorry you were out...*, published in November 2010 confirmed previous Consumer Focus research in Great Britain and suggested many Northern Ireland consumers were in fact at home when the **'sorry you were out'** card was put through the door. The subsequent experience of trying to contact the local enquiry office to make arrangements for suitable delivery, or the experience in collecting the item from the enquiry office, is far from trouble-free.

The **Post Office Advisory Group** (POAG) is a group hosted by Consumer Focus and chaired by Consumer Focus Board member Roger Darlington. The group meets to identify and consider consumer experiences and concerns about the Post Office network. POAG comprises some of the UK's leading consumer organisations including Age UK, Citizens Advice, Federation of Small Businesses and the RNIB.

One of the issues of concern to POAG has been the impact of **outreach post offices**. In May 2007, following a UK-wide public consultation, the Government announced that POL would close 2,500 post offices. Of these, 500 would be replaced by largely part-time outreach services, provided in a local shop or a mobile service for example. The intention was, as part of a wider package, to restructure the Post Office network and ensure a viable future for the remaining branches. Our report *Sink or Swim* brought together Consumer Focus research from the last 12 months, 'on the ground' investigation, and examples of our positive interventions on behalf of consumers.

We wanted to better understand whether outreach services met the needs of local communities, assess the performance of the respective service types and identify how POL can more effectively support services. Most consumers have adapted to the new model, but there is still much to do. Our recommendation will help POL to focus on improving the service.

A fair deal across the economy



We have a remit across the economy. We work in areas where we are best placed to win for consumers. Over the last year we focused on four areas of change that will have a huge effect on consumers: reform of financial services; transformation public services; access to justice; and the legal underpinning of our digital economy.

Influencing the big decisions

We have been campaigning for consumer fair use rights and a review of copyright licensing since early 2009. From conducting research into the level of consumer confusion about copyright law to acting as a 'friend to the court' on the **Judicial Review of the Digital Economy Act**, we have made sure that action to bring copyright law up to date became the new common sense in copyright law. In November 2010, the Prime Minister announced a Government review into the long-overdue reform of copyright licensing. Our advocacy helped influence the terms of reference of the review to achieve a better balance between the interests of consumers and rights holders.

The Hargreaves' **Independent Review of Intellectual Property** recognised the urgent need to update copyright law to make it fit for the digital age. It recommended action on issues that Consumer Focus has advocated such as making it legal for consumers to 'format-shift', introducing a copyright exception for parody, and simplifying copyright licensing, the behind-the-scenes wiring necessary for innovative online music, films and e-books services.

We lobbied hard to ensure that the **Consumer Rights Directive** preserved and improved UK consumer rights. At the time of writing the European legislative process is almost complete and we look set to achieve our main objectives. These include, in particular, maintaining UK consumers' rights to reject faulty goods and get their money back.

Much of our work in financial services has been to ensure that the consumer voice is heard clearly as the debates about reform turn into real changes to the culture and priorities of the new regulatory landscape. Our roundtable on **Principles or Products** looked at regulation of financial services and the future of product intervention. The event brought together a range of stakeholders from banks, HM Treasury, Financial Services Authority (FSA), Office of Fair Trading (OFT) and charities who would not normally meet. This gave them the chance to tease out some of the significant issues about consumer choice and protection in financial services, and how the new regulator should intervene.

We also joined with the grassroots National Consumer Federation to review the success of the FSA's Treating Consumers Fairly principles.

When the **Independent Commission on Banking** took the debate about banking reform on the road, we hosted the only event that focused on consumers and the connected issues of competition, choice and financial inclusion.

Access to justice is under pressure. Consumer Focus warned that the **Small Claims Court process** was letting consumers down because people are confused by the process and big businesses are clogging up the system, causing delays which deter ordinary consumers. Worryingly, the new research highlights that six out of 10 people who have a potential claim do not even consider using the Small Claims Court.

Despite the court being set up to make it cheap and easy for ordinary people to bring cases and get a quick resolution, over half of cases are now brought by companies such as banks, debt recovery solicitors and issuers of credit or store cards. Consumer Focus is concerned that this is causing unnecessary, and off-putting, delays in the claims process for consumers.

Our advocacy helped influence the terms of reference of the Government's review

The average length of time between a case being brought and being concluded is over six months. According to the research, only a third of people using small claims courts feel the length of time to process a case is reasonable.

Making consumers more powerful

We published research that showed that while three quarters of customers with a grievance against their bank make a complaint, fewer than half are happy with the response they receive. Despite being dissatisfied with the initial response from their bank, less than a third of people pursue the complaint and just 9 per cent take their complaint to the Financial Ombudsman Service. This is despite evidence that nearly three quarters of consumers who have used the Ombudsman feel it provides a 'fast and efficient service' and that consumers receive compensation in half of the cases it reviews.

Companies who handle complaints badly deny themselves crucial insight into what they do wrong and put consumers through an endurance ordeal to get a problem sorted out. We called on banks to **take complaints more seriously** and devote more resources to improving customer service. More empowered consumers will raise issues with companies and help them get better. We urged the FSA to take a stronger line on complaints handling and welcomed changes to their rules in this area in 2011.

Signing up to a tenancy agreement with a landlord is a significant commitment for the majority of tenants in the **private rented sector**. However, tenants currently do not have access to information on the track record or performance of a landlord to help them make an informed decision.

Opening the Door championed the idea of a scheme of **tenant feedback** which would allow current tenants to rate their landlords and provide prospective tenants with information on track record and reputation (reputational regulation). This would empower them to make more of an informed choice before signing up to a tenancy.

Support for the introduction of such a scheme is growing and we hope a pilot scheme would show how there could be a better balance of power between prospective landlords and tenants. This would be good for a market that consumers rank only 38th out of 45 markets.

Also on housing, CF Labs launched a web tool that allows leaseholders to look at whether they could work with their neighbours to take over the **management of their building**. While many people own the leasehold to their individual flat, the building will often be owned by a landlord who usually charges a fee for managing and maintaining the building and grounds. A daunting process has been made easier by our Consumer Focus Investigations team who developed a simple on-line questionnaire, which breaks down the eligibility criteria in the Commonhold and Leasehold Reform Act 2002 in to a series of yes-no questions.

Consumer Focus regards net neutrality – which advocates internet service providers or governments not restricting consumers' access to networks that participate in the internet – as a key principle of the internet. It safeguards an enhanced participation by citizens in society; secures access to knowledge and diversity; and promotes innovation, economic growth and democratic participation. Over the year we have stepped up our activity arguing for **open internet principles** to be maintained to ensure that consumers have fair access and choice of internet content and services.

Companies who handle complaints badly deny themselves crucial insight into what they do wrong

A successful coalition with business stakeholders such as Skype, Yahoo, Amazon and the BBC has helped to persuade Government to appreciate the importance of users' access to legal content; non discrimination against content providers on the basis of commercial rivalry; and clear and transparent information to consumers on traffic management policies.

A good outcome has been the Broadband Stakeholder Group developing a Code of Practice on Internet Traffic management to give more transparent information to consumers. We also secured the group's commitment to undertake further work on access to legal content and non-discrimination. At the European level our joint work with the European Consumer Organisation, BEUC, persuaded the European Commission to engage seriously with issues of transparency, quality of service and non-discrimination.

Making markets and services work for consumers

Consumer Focus research showed that people want good customer service from the police, just as they would from other public services, but they don't always get it. This is especially true when people try to raise their concerns because the police do not have a strong culture of handling dissatisfaction. The lack of responsiveness undermines public trust and confidence in the police. Consumer Focus believes that improved customer service feedback would help the police to connect with the public.

The research identified key barriers to improvement and the opportunity to connect with the public.

It focuses on how constabularies can improve their responsiveness to local people and their needs; a key principle of policing and the foundation for building trust and confidence with consumers.

The findings are highly relevant to the coalition Government's plans to improve policing and local accountability for the police, outlined in *Policing in the 21st century: reconnecting the police and the people*. We were pleased that the Government responded positively and new clauses to the **Policing Reform Bill** addressed many of the points we raised.

Local forces will have much more responsibility for dealing with 'low level' complaints more quickly and appropriately.

Following our super-complaint at the end of 2009/10 on **Cash ISAs**, the OFT cut the length of ISA transfers to 15 working days and improved information for consumers. Shortening the transfer time could save consumers up to £14.5 million. Over the past year we have seen a number of banks go further than these minimum standards by promising to pay the new interest rate from the day they receive a customer's transfer request.

For most people, running their lives **without a bank account** would be unthinkable, yet nearly a million adults in Britain have to cope without one, living almost entirely in the cash economy. Our report, *On the margins*, explored the experience of some of the most vulnerable individuals in 21st century Britain and why they do not have even basic bank accounts – and as a consequence miss out on the benefits many of us take for granted.

For most people, running their lives without a bank account would be unthinkable, yet nearly a million adults in Britain have to cope without one

We followed this report up with work looking at payday loans, the current account market and the FSA's Treating Customers Fairly scheme to get a detailed and rounded picture of the financial services market.

Our report *Keeping the plates spinning* investigated **payday lending** in order to improve knowledge and understanding of this relatively new form of lending in the UK, and the benefits and risks associated with it for consumers.

Concerns have been raised in the United States of America and the UK over the level of consumer detriment caused by payday lending, which has led to interest rate caps in a number of US states, effectively banning the practice.

There are concerns that the impact of the recession in the UK will drive greater numbers of consumers towards this form of lending and trade discussions have indicated an intention for further expansion in this market. Consumer Focus has identified a need for clear guidelines and protections in this growing market to ensure a fair deal for consumers in the UK as the market grows in the coming years.

For competitive markets to work, consumers need an incentive to take their custom from one provider to another. In *Stick or Twist* we investigated switching in the personal current account market to look at whether switching could promote competition among banks and constrain the practice of unfair charges.

Our research showed that there is still a great reluctance among consumers to switch account providers. There also appear to be real problems with the switching process. This undermines efforts to improve switching as a way of driving competition in the banking sector. Until people see the value in 'voting with their feet' competitive pressures on banks will be weaker than they should be.

Legal expenses insurance is commonly bought as part of a bundled insurance product, like motor or home insurance. It usually entitles the buyer to free legal advice and representation related to a civil dispute. Over the year we argued that Before the Event Legal Expenses Insurance could play a bigger role in widening access to justice for consumers. However, the current design and promotion of these products leaves them a long way short of the mark.

In Case of Emergency reveals that 43 per cent of people surveyed knew little or nothing about legal expenses insurance – despite an estimated 25 million UK households currently having this type of cover. The UK legal expenses insurance market is worth some £447 million according to the Ministry of Justice.

For competitive markets to work, consumers need an incentive to take their custom from one provider to another

To make this market work better we are calling for:

- improved consumer information and clearer marketing
- an independent appeals system so consumers can challenge if their claim is rejected
- freedom of choice so consumers can choose their own solicitors if they make a claim
- a review by regulators of the impacts of referral fees and bank account packages that include insurance

Consumer Focus Scotland

Our reports and consultation responses

March 2011

Consumer Experiences of Land-owning Land Management Companies

Report of Green Deal ECO Seminar

Energy efficiency in private sector housing in Scotland – Regulation and the consumer interest

Consultations

The Right to Adapt Common Parts in Scotland (Scottish Government)

Proposed Building Repairs (Scotland) Bill (Scottish Parliament)

February 2011

Consumer agenda for Scottish Parliament

Consultations

Independent Monitoring of Prisons (Scottish Government)

Healthcare Improvement Scotland Complaints Procedure (Scottish Government)

Annual Plan 2011-12 (OFT)

January 2011

Civil Justice Advisory Group report

Consumer Engagement in Decision Making – Best Practice from Scottish public services

Consultations

UK Energy Bill LCM (Scottish Parliament)

Draft statutory guidance – Police complaints handling in Scotland (Police Complaints Commissioner for Scotland)

December 2010

Paying the Right Price – Consumers' attitudes and behaviours in managing household energy costs

Consultations

School inspection framework starting in autumn 2011 (HMIE)

The Draft Report on Proposals and Policies (Low Carbon Scotland)

November 2010

Power at Home – Improving consumer access to the benefits of microgeneration

Consultations

Revising the approach to publication schemes (Scottish Information Commissioner)

October 2010

Consultations

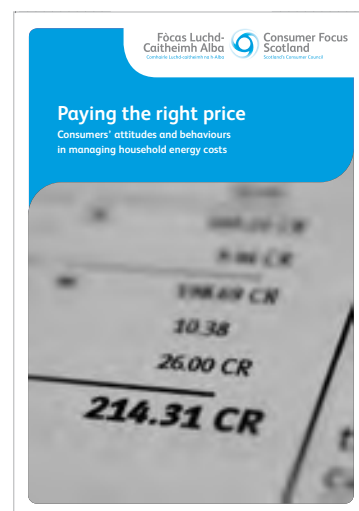
Judicial Conduct: rules for investigating and determining matters (Lord President)

Regulation of independent healthcare in Scotland (Scottish Government)

Reducing the Risk from E.coli O157 – Controlling Cross Contamination (FSA)

Extension of the coverage of the freedom of information (Scotland) Act 2002 (Scottish Government)

The draft regulations for tenancy deposit schemes in Scotland (Scottish Government)



September 2010

Consultations

Wider planning for an ageing population – housing and communities (Scottish Government)

New Thinking, Fresh Ideas (Scottish Government)

Discussion paper 'Options for Tribunal Reform in Scotland' (Scottish Committee of the Administrative Justice and Tribunal Council)

Foodborne disease strategy 2010-2015 (FSA)

A statement of Complaints Handling Principles and Guidance on a Model Complaints Handling Procedure (Scottish Public Services Ombudsman)

A new report that it will produce on the UK's communications infrastructure (Ofcom)

An interim report (Digital Scotland)

August 2010

Turning up the heat –

Benchmarking fuel poverty in Scotland

Consumer Focus Scotland Annual Review 2009/10

Consumer views of quality in common, research report

Operational Annual Workplan

Consultations

Quality in Common (Scottish Government)

Study into the effects of putting clocks one hour ahead of their current setting (Policy Studies Institute)

July 2010

The consumer and household recycling in Scotland

Scottish Postal Service – Consumer Survey 2010

Postbuses and Rural Transport in Scotland

June 2010

Energising communities

– Learning from area-based energy efficiency projects in Scotland

Cause for complaint? – How consumers deal with problems with goods and services in Scotland

Local regulation and the consumer interest in Scotland

– A discussion paper

Best Value in Scottish Government – Consumer views on reporting mechanisms

Up to Standard? A review of trading standards in Scotland

Consultations

The Enforcement of Local Tax Arrears (Scotland) Bill (Scottish Parliament)

May 2010

Consultations

Response to eviction of tenants in the social rented sector (Scottish Government)

Options for improving information on the labels of alcoholic drinks to support consumers to make healthier choices in the UK (DoH)

Digital dividend: 600MHz band and geographic interleaved spectrum (Ofcom)

April 2010

Consultations

A proposed private rented sector housing bill (Scottish Government)

Death Certification, Burial and Cremation (Scottish Government)



A fair deal on energy

With the support of Ofgem, we ran a major campaign to help consumers reduce their energy bills by switching either their tariff or their supplier. The **Energy Best Deal Scotland** campaign, delivered alongside Citizens Advice Scotland and Money Advice Scotland, has provided training and materials for advice agencies and other organisations. This enabled them to provide the advice and support, which consumers – especially those living on low incomes – need to obtain a better deal on their gas and electricity.

An independent evaluation of the campaign found that it has delivered significant benefits for consumers in Scotland. In total, 325 advisers across Scotland were trained as a result of the campaign, leading to thousands of consumers receiving advice on switching their energy deal.

In November, we published *Sort Your Supply* and *Smooth Supply* – two new advice leaflets for tenants and landlords. These leaflets give **tenants and landlords** all the information they need to ensure that the gas and electricity supplies for their property are properly organised and set up at the start of a new tenancy. The leaflets have been distributed through a range of tenant and landlord organisations across Scotland.

Area-based projects can play a part in improving consumers' take up of measures to **make their homes more energy efficient**. Our report, *Energising Communities: Learning from area-based energy efficiency projects in Scotland*, examines the effect that such projects have had and looks at the challenges facing this type of approach. It also provides a series of recommendations to ensure that future projects deliver the maximum benefit for consumers.

In February, we co-hosted a discussion seminar with Energy Action Scotland to examine the UK Government's forthcoming **energy efficiency programmes**, including the Green Deal.

It provided an opportunity for Scottish stakeholders to meet with staff from the Department of Energy and Climate Change. They highlighted the key issues that will need to be addressed to ensure that the new UK programmes deliver benefits for consumers in Scotland.

Also in February, we published *Energy efficiency in private sector housing in Scotland: Regulation and the consumer interest*. It found a clear case for regulation to improve the **least energy efficient houses** – whose residents are most at risk of fuel poverty – but that there are a number of issues to be addressed if consumers are to benefit. The report was timed to help inform the Scottish Government's *Regulation of Energy Efficiency in Housing* report which was largely in line with our recommendations. The report recognised Consumer Focus Scotland's significant contribution to this important debate.

Power at home: Improving consumer access to the benefits of microgeneration examined the barriers to consumers **generating power at home** and using renewable energy sources. It sets out how removing these barriers could play an important role in helping consumers to access more affordable and sustainable energy in the future.

In August, we published *Turning up the heat: Benchmarking fuel poverty in Scotland*. The report explores the reasons for **higher rates of fuel poverty in Scotland** than in

England or Wales. It highlights the need for a consistent approach to measuring fuel poverty across all UK nations; and the need for a more integrated and strategic approach to addressing fuel poverty across all relevant Scottish Government departments.

We remain members of the Fuel Poverty Forum, which oversees the delivery of the Energy Assistance Package – the main Scottish Government initiative for tackling fuel poverty.

There are a number of issues to be addressed if consumers are to benefit

A fair deal on post and in the Post Office

We submitted written and oral evidence to the Scottish Affairs Committee's inquiry into postal services in Scotland, conducted in parallel to the passage of the **Postal Services Bill**. Many of the issues in the Committee's final report closely reflect the issues we raised. In particular, these included their recommendations on the parcel delivery market; the need for rural representatives to be fully involved in any future changes to the Universal Service Obligation; and the need for the UK Government to work with policy makers in Scotland on the delivery of government services through the Post Office network.

We have continued to engage with Royal Mail, and to hold the company to account for the **performance of postal services in Scotland**.

We have met Royal Mail to discuss its quality of service statistics; complaints figures; and the number of properties in Scotland designated as exceptions to the Universal Service Obligation. We also discussed the difficulties experienced by consumers in particular postcode areas.

The Scottish Government announced, as part of the budget agreement for 2011/12, that it would provide £1 million to continue the **post office diversification fund for Scotland** for a second year. This will bring significant benefits for consumers, who will enjoy improved and enhanced services at their local post office. In the first round of the fund, 49 post offices received money. We played a key role in lobbying for this original fund and we had urged the Scottish Government to continue it.

We carried out a major piece of research to analyse the potential for more local government services in Scotland to be delivered through the Post Office. Such a development could improve consumers' access to these important services, and help to improve the sustainability of the Post Office network.

We have been working closely with Royal Mail, the Convention of Scottish Local Authorities, the Improvement Service and the Scottish Government on this project. A report is due to be published in summer 2011.

A fair deal across the economy

Public services

Our report *Consumer engagement in decision making: Best practice from Scottish public services* highlighted eight examples of best practice in public sector **engagement with consumers**. The selected examples were

judged by an expert panel, and leaflets highlighting the key messages were sent to stakeholders across the public sector. We presented the findings from the report at the Scottish Public Services Ombudsman annual conference in January 2011.

Following a previous report on **measuring customer satisfaction in local government**, we worked jointly with the Improvement Service to develop the tools that local government requires to do this work better. As result the *Customer Satisfaction Measurement Tool* was launched in June, at an event which included a speech by our Chairman, Douglas Sinclair.

On 1 October, a new duty on public sector scrutiny bodies to promote **continuous improvement in user focus** under the Public Services Reform (Scotland) Act came into force. This follows many years of strong advocacy by Consumer Focus Scotland for improvements in the user focus of scrutiny bodies.

When the Scottish Public Services Ombudsman published its complaints handling principles and procedures, it placed more emphasis on timeliness and accessibility. Both these issues were raised in our research into consumer attitudes to the draft principles.

We have continued to engage with Royal Mail, and to hold the company to account

In October the Scottish Government launched **a new national advocacy service** for parents whose children have additional support needs. Our predecessor organisation, the Scottish Consumer Council, had repeatedly highlighted the need for such a service, and Consumer Focus Scotland was represented on the panel which assessed the tenders for delivering the new service.

The **Patient Rights (Scotland) Act** was passed by the Scottish Parliament in March. Consumer Focus Scotland contributed written and oral evidence to the Parliament during its consideration of the Bill. Following the passage of the Act, Health Rights Information Scotland, a Scottish Government funded project based at Consumer Focus Scotland, will be working closely with the Government to ensure that there is clear information for members of the public about what the Act means for them.

The **No Fault Compensation advisory group**, set up by the Cabinet Secretary for Health and Wellbeing, published its report in November. Consumer Focus Scotland was a member of the group, and helped develop a framework for assessing the options for compensating patients for injuries caused by the NHS. The Scottish Government welcomed the report, and has announced its intention to investigate thoroughly how such a scheme would work in practice, both for the benefit of individual patients and the good of the health service as a whole.

We carried out innovative research into the preferences of people currently in their 50s and 60s for the kind of **care and support** they would like to be available to them if, or when, they are no longer able to live independently. This research aims to provide an evidence base which will influence policy and service provision in this area in the future.

Legal services

Following the publication of our *Making Civil Justice Work for Consumers* paper, we re-convened the **Civil Justice Advisory Group**, under the chairmanship of the Right Honourable Lord Coulsfield. The Group examined the recommendations made in Lord Gill's civil courts review and sought to identify a suitable way forward. The Group launched its final report, published by Consumer Focus Scotland, in January. The Scottish Government's formal response to the report was supportive of the majority of its recommendations, and we will be working with the Government and other stakeholders to achieve further progress.

New rules on **McKenzie Friends** in the Sheriff Court were introduced on 1 January. This is an issue which Consumer Focus Scotland has been working on for some time. After we raised concerns as part of the Public Petitions process that the rules proposed for the Court of Session would be disproportionate in the Sheriff Court, the rules introduced by the Sheriff Court Rules Council are more proportionate and accessible than the Court of Session rules.

The Act should widen choice and protection for users of legal services and increase access to justice.

The **Legal Services (Scotland) Act** was passed by the Scottish Parliament in October. Both the Scottish Consumer Council and Consumer Focus Scotland had worked on this issue for many years. By opening up the legal services market in Scotland through removing restrictions on ownership of legal firms, the Act should widen choice and protection for users of legal services and increase access to justice. The Act should pave the way for the development of a legal services market which better meets the needs of the public.

On 1 December, the Scottish Government announced the establishment of a **Scottish Tribunals Service**, bringing together the administrative support for five tribunals in Scotland.

This announcement represents a move towards some of the options for tribunal reform identified in the first report of the Administrative Justice Steering Group, which was published by the Scottish Consumer Council, our predecessor organisation.

The **Complaints about the Judiciary (Scotland) Rules 2011** came into force in February. We made significant comments on previous drafts of the rules and accompanying guidance, and a number of our recommendations have been incorporated in the final version of the rules.

In March, the Scottish Government published a consultation paper on switching **land-owning land management companies**. We had been working for several years to raise the profile of this issue with policymakers. In March, we published the results of research into consumers' experiences of land-owning land management companies. The consumer survey found that many consumers are dissatisfied across a range of issues.

Seven in 10 respondents said they would be likely to change their land management provider if they were able to do so.

Housing services

The **Private Rented Housing (Scotland) Act** was passed by the Scottish Parliament in March. Consumer Focus Scotland is a member of the Scottish Private Rented Sector Strategy Group, which played an important role in identifying and agreeing the measures to be included in the Act. Through our membership, we played a key role in helping to shape the content of the Act to ensure that its provisions were in the consumer interest. In particular, it includes a number of provisions to provide more and better information to tenants and prospective tenants about landlords and properties in the sector, and to improve the coherence and functionality of various regulations that govern the sector.

In March, the **Property Factors (Scotland) Act** was passed by the Scottish Parliament. This is an important step in improving the rights of homeowners who use property management or 'factoring' services. Our research found difficulties experienced by consumers, including lack of information; concerns about value for money; consumer dissatisfaction with services provided; and poor complaints handling. The Act will improve consumer protection by creating a level playing field where all providers have to meet the standards set out in a statutory code of conduct. It will also provide a much needed source of external review of complaints, through the homeowner housing panel and committees.

The **Housing (Scotland) Act 2010** was passed in October. The Act strengthens tenants' role in the regulation of social housing, following Consumer Focus Scotland's involvement in the Ministerial Sounding Board set up by the Scottish Government to develop the Act.

The Scottish Government introduced regulations for a **tenancy deposit scheme** in Scotland to the Scottish Parliament in January. We have long called for a tenancy deposit scheme to be introduced, in order to protect tenants and ensure that their deposits are not unfairly withheld. As a member of the Scottish Government stakeholder working group and in our 2009 joint paper with Shelter Scotland, *Improving the private rented sector for the benefit of consumers*, we recommended the development of a such a deposit scheme.

Digital services

We have continued to campaign for an improvement in the digital services available to consumers across Scotland. In March, the Scottish Government published its **new digital strategy for Scotland** – for which we had been calling for more than a year.

Our contribution to the discussion is acknowledged in the foreword to the strategy by the Minister for Culture and External Affairs. The strategy includes a number of the key issues we have raised in relation to broadband availability and digital participation. We will be publishing a paper on digital consumers in Scotland in summer 2011, and will continue to work on these issues throughout 2011/12.

Following on from our Digital Diaries project, and working in partnership with Digital UK, Switchover Help Scheme and Digital Outreach Ltd, we produced *Supporting the digital switchover: Get your clients on the right wavelength*. It is a resource for local authorities and voluntary and community organisations. The leaflet was designed to help these organisations support their clients in making the **switch to digital TV**. It answered some of the key questions they might have about digital switchover, and signposted support workers and consumers to further sources of help and advice. The resource was disseminated by the Switchover Help Scheme and Digital Outreach Ltd.

Ofcom's proposals for the auction and release of 800MHz and 2.6GHz spectrum included a provision that one of the new licences will carry an obligation to deliver a mobile telecommunications service to at least 95 per cent of the UK population by 2017, including *'a requirement to cover a certain proportion of the population in particular areas – for example in certain rural areas'*.

This will be the first time that any broadband coverage obligation of this nature has been placed upon a provider in the UK. Consumer Focus Scotland has argued consistently over the past two years that such an obligation is needed in order to ensure that valuable spectrum resources are used to improve coverage in rural and remote Scotland.

Food services

The Food Standards Agency confirmed that it is planning to commission new research in 2011/12 on **food hygiene behaviours** in the home, to inform its future consumer education strategies on safe food handling. This follows work by Consumer Focus Scotland and Consumer Focus Wales which highlighted that messages to the consumer must be clear and that messages on food hygiene should be reinforced.

In February, working with the British Water Cooler Association, European Drinking Water Cooler Association and the Scottish Food Enforcement Liaison Committee, we launched a new poster providing advice to industry and consumers in Scotland on using water coolers safely. Our previous research found that around one in four were failing to meet one or more safety and hygiene standards. The **cleanliness of water coolers** had become a low priority and there was a need to raise awareness among organisations responsible for water coolers and those who use them. The new poster, which provides clear and easy to follow information and advice for those who install and use water coolers.

Together with our colleagues in Community Food and Health (Scotland), we carried out research into the availability of **food services for older people** living in the community. The work was overseen by an advisory group of key stakeholders, and we will publish the final report in June 2011.

For a more detailed look at the work of Consumer Focus Scotland see www.consumerfocus.org.uk/scotland

Consumer Focus Wales

Our reports and consultation responses

March 2011

Protecting consumers from *E.coli* O157 – second progress report

From care to where – How young people cope financially after care

February 2011

Keeping warm this winter – Hearing the voices of children and young people in tackling fuel poverty in Wales **Consultations**

Proposals for the Reform of Legal Aid in England and Wales (MoJ)

laith Fyw: laith Byw (Welsh Assembly Government)

January 2011

Consultations

School toilets: best practice for primary and secondary schools in Wales (Welsh Assembly Government)

December 2010

Prepayment meters and self-disconnection: Case studies in Wales

November 2010

Food safety update

Consumer Finances in Wales: an overview

Fuel Debt

October 2010

The difficult conversation – Involving citizens where it matters most

Post Office diversification – A good practice guide for subpostmasters

Financing the future – A study of older people's finances

Consultations

Reducing the Risk from *E.coli* O157 (FSA)

September 2010

Gwasaniaithau: Consumers and the Welsh Language

Consultations

Bilingualism (Enterprise and Learning Committee)

The FSA Foodborne Disease Strategy 2010-2015 (FSA)

Draft Health, Social Care and Wellbeing guidance (Welsh Assembly Government)

August 2010

Consumer finances in Wales: Debt and credit use

July 2010

Off-gas consumers and microgeneration

June 2010

Welsh household electricity prices

Consultations

Paying for care in Wales (Welsh Assembly Government)

Delivering the NHS for Wales (Welsh Assembly Government)

May 2010

Consumer Focus Wales' Annual Plan 2010/11

Consultations

The proposed Welsh Language (Wales) Measure (Welsh Assembly Government)

April 2010

Consultations

Putting Things Right: a better way of dealing with concerns about health services (Welsh Assembly Government)



A fair deal on energy

This year Consumer Focus Wales was invited to attend the Welsh **Ministerial roundtable on energy** on a regular basis. This is testimony to our ability to be a voice on the key energy issues as they affect consumers in Wales. During the year our work on undue price discrimination by Scottish Power prompted Ofgem to investigate the way in which the company charges customers in North Wales. A Cornwall Energy report, commissioned by Consumer Focus Wales, on why the **cost of electricity in Wales** is higher than in other parts of the UK, addressed a key concern for consumers in Wales.

Every quarter we publish our **Domestic Energy Report** that provides an up to date insight into the current consumer issues in the energy market in Wales. Throughout the year these reports have:

- revealed evidence of the dominance of SWALEC and British Gas
- alerted npower customers to possible refunds negotiated by Consumer Focus
- warned ScottishPower customers about its poorly described prompt pay 'discount' which penalises people who do not pay their bill within 10 days
- highlighted the effect of the winter price rises
- alerted consumers across Wales to potential savings of £300 per year on their energy if they haven't previously switched suppliers

This year we have successfully campaigned for, and worked with, the Welsh Assembly Government on a new **fuel poverty strategy** for Wales. There will be no let up in the fight against fuel poverty. Consumer Focus Wales believes that no one should have to live in a cold home. We published work showing the impact of fuel poverty on children.

This ensures their voice is heard; that they are able to say how it feels to live in a cold house and what they want the energy companies and the Government to do. It is a powerful jolt to anyone who thinks this is an issue that might be dropping down the agenda. It is not. As the statutory voice of energy consumers, we will not allow it to be forgotten.

**As the
statutory voice
of energy
consumers, we
will not allow it
to be forgotten**

That commitment was clear in the Senedd in February when we launched the accompanying film *Keeping warm this winter: hearing the voices of children and young people* with many of the children who appeared in the film, present.

Produced by Children in Wales and funded by Consumer Focus Wales, the film brought together the stories of primary and secondary school pupils and highlights the real impact that fuel poverty has on many children's lives.

In July we published **Off-gas consumers and microgeneration**, which continued the work that we have done on behalf of off-gas consumers. The report looks at a range of issues including payment methods, and consumer attitudes to both connection charges and alternative energy sources. Following publication of the report, OFT announced an inquiry into off-gas markets to understand whether or not consumers benefit from sufficient levels of competition.

A fair deal on post and in the Post Office

In February, we held a roundtable drawing together some of the key post office stakeholders to discuss what can be done to ensure a **thriving and sustainable Post Office network** in Wales. We worked with the Welsh Assembly Government to ensure that businesses seeking grants from the **Post Office Diversification Fund** should be obliged to consult their local communities. So, we produced a guide – with Participation Cymru – to give subpostmasters practical help in how to engage with their customers.

The guide also provides information and case studies of Post Offices who have successfully diversified the use of their premises and ensured their viability and profitability as a result.

Every quarter we share our **expertise and information on postal markets**. Those issues of most concern to consumers are featured in these reports and they provide an excellent focus on the interests of users of postal and post office services in Wales. Among the issues this year was the extent of Royal Mail's failure to meet its first class delivery targets in Wales throughout the year.

These issues were given a more forensic analysis during a **Postal Strategy roundtable** in May. Consumer Focus Wales and colleagues from Consumer Focus hosted a unique stakeholder event where some of the most critical challenges to the sustainability of the postal service in Wales were examined from the consumers' perspective.

A fair deal across the economy

Improving food safety

Our work on food hygiene has made a difference already – bringing together some of the key partners who need to work together if we are to avoid another **E.coli O157 outbreak**.

Our report, *Protecting consumers from E.coli O157* (published in March 2010), highlighted the good work which has been done in Wales, the failings to date and what else must be done. It was the first time the hundreds of families affected by the E.coli O157 outbreak had this information. It triggered an investigation by the National Assembly For Wales's Health and Local Government committee – keeping the issue high on the agenda of local authorities and the Welsh Assembly Government.

It led to the First Minister commissioning the Food Standards Agency to do a full review of food safety in Wales and to guidance being issued on the separation of machinery for raw and cooked meats.

We continue to lobby for **mandatory display of food hygiene scores** in Welsh cafes, restaurants and take-aways so that consumers are empowered to choose safely. We also delivered a second update on progress to implement the recommendations of the Pennington report in March 2011.

Financing the future

Our research on **older people's finances** was part of a major piece of work on consumer finances in Wales. Our report identified a generation of people who are heading towards retirement with a range of debts that they may not be able to pay off – and sounded a warning to authorities to recognise and address the problem.

In response to our report the Older People's Commissioner stated she will work with the Citizens Advice Bureau to ensure advice services are available for older people, particularly those entering retirement with unmanageable debt. The report has also been distributed across all older people's networks in Wales. It is already helping to raise awareness of the potential financial detriment likely to be experienced by many retired older people and those due to retire in the future.

For a more detailed look at the work of Consumer Focus Wales see www.consumerfocus.org.uk/wales

Work by other GB teams based in Consumer Focus Wales

Product safety

Thanks to the work done by Consumer Focus Investigations, the safety of hinge mechanisms on **children's pushchairs** has been improved, with covers being more widely available from retailers and with manufacturers redesigning for greater protection.

Challenging unfair practices

The Investigations team has also secured thousands of pounds of refunds for consumers who had unknowingly signed up to a membership scheme when trying to qualify for **discount vouchers**.

Putting information into consumers' hands

Over 19,000 people have used the Recalled Products site to protect themselves from **faulty goods**. The site, created by CF Labs, enables users to access recall notices from across Europe, however and whenever they want.

Empowering consumers

The CF Labs team is now working with developers at the Food Standards Agency on how to make information as accessible and useable for consumers as possible. This will put information into the hands of consumers in a format that will enable them to drive up hygiene standards in food premises by voting with their feet.

Consumer Focus Report and Accounts

For the year ended 31 March 2011



Accounting Officer's report and management commentary

Statutory background and principal activities

Consumer Focus is the operating name adopted by the New National Consumer Council, a statutory organisation created by the Consumers, Estate Agents and Redress (CEAR) Act 2007.

The Act:

- established Consumer Focus to provide a strong, coherent consumer advocacy organisation/body, able to address consumer issues across different sectors, undertake cross-sectoral research, and provide a voice for consumers in dialogue with companies, regulators, Government and Europe
- extended redress schemes to all licensed energy suppliers and postal services providers to resolve complaints where suppliers and service providers have not been able to do so, and provide compensation for consumers where it is appropriate
- enabled Consumer Direct to become the single point of contact for all consumers to obtain information and impartial advice as well as signpost consumers and provide them with help when making a complaint

Through its policy work, Consumer Focus aims to understand the diverse aspirations, experiences and fears of consumers across the UK. We learn from others in the consumer field, track data on complaints and customer experience, and conduct new consumer research. In addition to our policy advocacy role, Consumer Focus handles complaints on behalf of vulnerable energy and post consumers referred by Consumer Direct, including those at risk of disconnection.

Our structure reflects the devolved nature of the UK, embracing Consumer Focus Scotland, Consumer Focus Wales and Consumer Focus Post (in Northern Ireland). Staff are based at offices in Glasgow, Cardiff, Belfast and London.

Consumer Focus activities in Northern Ireland extend only to the users of postal services.

Governance

The Consumer Focus Board, also known as the Main Board, is the governing body of Consumer Focus. It is responsible for the development of all GB, UK, English and EU related policy. The boards in Scotland, Wales and Northern Ireland are responsible for devolved policy and for contributing to the Main Board.

The chairs of the country boards – Vivienne Sugar, Consumer Focus Wales; Douglas Sinclair, Consumer Focus Scotland; and Rick Hill, Consumer Focus (Northern Ireland) are also members of the Main Board and all Boards share their minutes and agendas.

The Main Board met seven times during the year. The Boards met jointly on 4 November 2010.

The Main Board has oversight of the senior management team, through the chief executive officer. Standing orders delegate to the chief executive all matters which are not specifically reserved to the Board. The senior management team meets every two to four weeks.

All Board members were appointed by the Secretary of State following open competition. Declarations of Interest are updated regularly and are available on the Consumer Focus website.

Board members



Christine Farnish (Chair)

Christine took on the position of Chair on 1 December 2010. Christine has served on the Consumer Focus Board since it began. She has been Consumer

Affairs Director at both OFTEL and the Financial Services Authority and has also held senior management roles in local government. She has served on the Boards of both the Office of Fair Trading and the Advertising Standards Authority. She is currently a Non-Executive Director on the Association of British Travel Agents Board, Chairs the Family and Parenting Institute and also works on public policy for Barclays.



Stephen Locke (Vice Chair)

Stephen is a consultant specialising in consumer policy and regulation. He is an Independent Board Member of the Payments Council and chairs their Consumer Forum; he is Vice Chair of

the Internet Watch Foundation; and he is a Board member of the Money Advice Service. He is also a Member of the Professional Standards Board of the Chartered Insurance Institute and the Broadcast Committee of Advertising Practice's Advertising Advisory Committee. Former full time roles include Director of Advertising and Sponsorship at the Independent Television Commission and Director of Research and Policy at Which?



Anna Walker (Vice Chair)

Anna is Chair of the Office of Rail Regulation and is a Board member of Welsh Water. She was Chief Executive of the Healthcare Commission, the regulation body for

the NHS and independent sector healthcare until March 2009. She was previously Director General, Land Use and Rural Affairs at DEFRA from 2001 to 2003, and Director General, Energy Group at DTI from 1998 to 2001. She was Deputy Director General at OFTEL from 1993 to 1997.



Douglas Sinclair

Douglas is Chair of Consumer Focus Scotland and a Member of the Accounts Commission for Scotland. He was Chief Executive of Fife Council from 1999 to 2006

and overall has had 16 years' experience as a chief executive in three councils, and four years as chief executive of the Convention of Scottish Local Authorities. He was also Chair of the Scottish Consumer Council.



Vivienne Sugar

Vivienne was appointed as the Chair of Consumer Focus Wales in January 2008. She is a Fellow of the Chartered Institute of Housing, having previously been Director of

Housing at both Cardiff and Newport. In 2005 she was appointed as Wales Advisor to the Joseph Rowntree Foundation and also became a Vice President of Swansea University. Vivienne was Chief Executive of the City and County of Swansea between 1995 and 2003 and Chair of the Welsh Consumer Council between 2003 and 2008. Vivienne is also a Consultant to Government and Local Government, and a member of the Council of the Property Ombudsman.



Rick Hill

Rick was appointed as Chair of Consumer Focus Post and member of the Consumer Focus Board in October 2008. In January 2009 he was appointed as Chairman of the

Consumer Council (Northern Ireland). In December 2008 he was appointed Chair of the Northern Ireland Screen Commission, having been interim Chair since January 2008. He is a former Minister of Garnerville Presbyterian Church, Belfast. He was previously a member of the BBC Audience Council for Northern Ireland and BBC Broadcasting Council for Northern Ireland.



Dame Suzi Leather

Dame Suzi is Chair of the Charity Commission, and a past Chair of the School Food Trust, the Human Fertilisation and Embryology Authority, and of the Exeter and District Community NHS Trust. She is also a past Deputy Chair of the Food Standards Agency.



Roger Darlington

Roger is Member for England on the Communications Consumer Panel, and was Chair of the Greater London Region on the Postwatch Council. He is a consultant to Connect, the trade union for professional staff in the telecommunications industry, and a Support Trainer with Lamont Associates, a training consultancy specialising in team working and transformation at work. Roger is also Deputy Chair of the UK Policy Stakeholder Committee of Nominet. From 1978 to 2002 Roger was a national trade union official at the headquarters of what is now the Communication Workers Union.



Sukhvinder Kaur-Stubbs

Sukhvinder is the Chair of Volunteering England. Previously, she was chief executive of the Barrow Cadbury Trust and before that Chief Executive and Company Secretary of the Runnymede Trust. She served on the Government's Better Regulation Commission and held Board positions with energywatch and Severn Trent Water. Sukhvinder currently manages a portfolio of projects with organisations including the Administrative Justice Council, Office for Public Management, Social Care Institute of Excellence and the European Commission.



Enid Rowlands

Enid has been on the Board of Consumer Focus since 2008 and has a background in education, health and equality issues. She is Member of the General Medical Council, Independent Chair for the Continuing Health Care Review and Non Executive Director at the Information Commissioner's Office and recently completed her term of office as a Trustee of RNID.



Sharon Darcy

Sharon is a member of the Ofgem Low Carbon Network Fund Expert Panel and the Consumer Challenge Group for current and recent energy price controls. Previously a member of the Council of energywatch, other former roles include Chair of the TrustMark Consumer Forum and member of the London and Southern Committee for the Consumer Council for Water. Sharon is a Board member of housing association The Hyde Group and was until recently on the Board of Sutton and Merton Primary Care Trust and Chair of Sutton Borough Citizens Advice Bureaux.

In addition, Lord Whitty served as Chair and Board member until December 2010 and Ed Gallagher served as Board member until January 2011, at the expiry of their respective terms of office.

Consumer Focus Scotland

Douglas Sinclair – Chair

| | |
|-------------------|------------------|
| Liz Breckenridge | Alan Hutton |
| Coinneach Maclean | Angela McCormack |
| Nicola Munro | John Sawkins |
| Alan Sinclair | |

Consumer Focus Wales

Vivienne Sugar – Chair

| | |
|-------------------|------------------|
| Bob Chapman | Hywel Davies |
| Kevin Fitzpatrick | Malcolm Smith |
| Marcus Longley | Eifion Pritchard |
| John Williams | |

Consumer Focus Post (Northern Ireland)

Rick Hill – Chair

| | |
|-----------------|-----------------|
| Fiona Boyle | Maureen Brennan |
| Maureen Kearney | Derrick Nixon |
| Bill Osborne | |

Senior management team

The senior management team members during the year were:

- Mike O'Connor, Chief Executive Officer
- Philip Cullum, Deputy Chief Executive Officer
- Marieke Dwarshuis, Senior Director Consumer Focus Scotland
- Maria Battle, Senior Director Consumer Focus Wales
- Graham Clark, Director of Finance and Operations
- Adam Scorer, Interim Director of Reputation & Impact

Audit and Risk Committee

In accordance with best practice and HM Treasury requirements Consumer Focus appointed an Audit and Risk Committee. Positions on the Committee are held by non-executive members. The committee was chaired by Christine Farnish to December 2010 and Sharon Darcy from December 2010. Sukhvinder Kaur-Stubbs, Dame Suzi Leather and Roger Darlington (joined January 2011) are also members. The meetings were also attended by the Chief Executive and other officers of Consumer Focus, and observers from internal auditors Tribal, the National Audit Office (NAO) and the Department for Business, Innovation and Skills (BIS). The Committee met six times during the year.

HR Committee

Details of the HR Committee (now called the Human Resources & Remuneration Committee), its members and remit are provided in the Remuneration Report on page 10.

Internal Audit

Tribal Business Assurance provides an internal audit service to Consumer Focus.

The primary role of Internal Audit is to provide the Accounting Officer and the Audit and Risk Committee with an objective evaluation of, and opinions on, the effectiveness of the Consumer Focus arrangements for risk management, control and governance.

Funding

Consumer Focus is financed by grant-in-aid from BIS. The CEAR Act provides for the Department to recover an appropriate proportion of the organisation's expenses from the holders of gas, electricity and postal licenses under the provisions of the Utilities Act 2000 and Postal Services Act 2000.

Core funding of £12.588 million has been agreed for 2011/12. It is estimated that expenditure of £5.77 million will be incurred in the exercise of functions in relation to relevant energy consumers and £3.124 million in the exercise of functions in relation to consumers of relevant postal services. The balance being expended on representing and advocating on behalf of consumers in the rest of the economy.

The CEAR Act grants Consumer Focus the powers to 'provide for any person advice or assistance, including research or other services, as respects any matter in which the Council has skill, experience or expertise', and to 'make such charges as it thinks fit' in respect of any such work.

Consumer Focus has two main areas of externally funded work. The National Social Marketing Centre works primarily with the Department of Health (DH) to build capacity and skills in social marketing related to health. Direct funding by DH ended on 31 March 2011 and we are now considering how this work continues. Consumer Focus Scotland receives funding from the Scottish Government to lead a number of mainly health related projects in the areas of healthy eating and access to information. These projects have been running for a number of years and are at various stages of completion and renewal. The proposed change to the future of Consumer Focus will affect our ability to continue to deliver these projects. We are therefore working with Scottish Government to identify alternative providers.

Operating review

Consumer Focus is the voice of consumers, working to secure a fair deal on their behalf. We are able to work across the economy but have a specific remit for consumers of postal services and in the gas and electricity markets. Our advocacy tools include:

- empowering consumers through the provision of information either directly to consumers, through partner organisations and through the media
- representing the interests of consumers, and especially consumers who are disadvantaged, to industry, regulators, agencies, UK and devolved governments and the European Commission
- information gathering powers, formal complaints to goods and service providers, regulatory bodies, Government departments, industry and local government associations; judicial action; and super-complaints

Consumer Focus is not a direct complaints and advice service. Consumer Direct – which will be operated by the Citizens Advice service from April 2012 – acts as the first port of call for practical information and advice right across all goods and services. Consumer Focus does, however, provide assistance to vulnerable consumers in the energy and postal markets through an Extra Help Unit, based in Glasgow. The unit is dedicated to helping customers from across the UK who cannot do so themselves, or who find themselves in vulnerable circumstances (eg electricity or gas disconnections).

Consumer Focus consulted widely on its draft Annual Plan for 2011/12 which was published on 9 May 2011 (following the lifting of 'Purdah' restrictions).

Government's preferred option is to transfer at least some of our functions to Citizens Advice, Citizens Advice Scotland and the General Consumer Council for Northern Ireland. This is subject to a public consultation process. It will take until April 2013 for the necessary legislation to be enacted.

During that time we will work closely with all concerned to achieve the smooth transfer of functions that will continue into the new consumer landscape. Our main priority is to ensure there are no gaps in consumer protection or representation during the transition period.

Our focus remains on gaining a fair deal for consumers across key market and services including energy, mail and post offices. We will also work across the economy helping to give consumers more influence and power.

We have achieved a number of high profile successes for consumers. These are reviewed in the report part of this document. Internally we have concentrated on ensuring our teams are set up to achieve the maximum benefit for consumers.

Under the Government's consumer empowerment strategy we will work with Citizens Advice and Citizens Advice Scotland on how very vulnerable consumers can be empowered.

This year we delivered our programme within the £13.9 million core funding budget and to the individual targets for energy, post and the rest of the economy. Staff employed on this aspect of our work were below the cap set by BIS of 170 established posts and reduced through the year as budget cuts were anticipated and the staff recruitment freeze came into effect.

Numbers reduced from 153 to 140 (excluding non-core funded staff), with further reductions around the year end as redundancy schemes took effect.

For performance monitoring, we operate a balanced scorecard together with regular reports on finance, staff and project delivery.

Financial review

The following paragraphs summarise the funding and financial performance during the year of Consumer Focus.

Consumer Focus received grant-in-aid funding of some £13.9 million for 2010/11.

The CEAR Act provides for the Department to recover an appropriate proportion of the organisation's expenses from the holders of gas, electricity and postal licenses under the provisions of the Utilities Act 2000 and Postal Services Act 2000. See note 4c for breakdown.

In addition, Consumer Focus received funding of £3,579k in relation to projects undertaken by the National Social Marketing Centre in conjunction with the Department of Health and £1,747k in respect of projects funded by the Scottish Government.

In accordance with the Treasury's Financial Reporting Manual (FRM), grant-in-aid is not shown as income on the Statement of Comprehensive Net Expenditure, rather it is reflected in the Income and Expenditure reserve on the Statement of Financial Position (see the Statement of Changes in Taxpayers' Equity).

The Statement of Comprehensive Net Expenditure shows net operating costs of £12,549k to be funded from grant-in-aid.

Staff costs were reduced by £2.2 million primarily from a reduction in expenditure on temporary and casual staff. Other expenditure reduced by £3.2 million, reflecting the reduced scale of expenditure following the comprehensive spending review.

During the year, provisions of £159k were released due to the early surrender of onerous lease properties inherited from the predecessor bodies. Provisions of £2.5 million continue to be held in respect of both property and employee related costs arising from the merger.

During the year, £111k was spent on the purchase of non-current assets.

Going concern

In October 2010, the Government announced its intention to close Consumer Focus. The closure is dependent on the passage of the Public Bodies Bill currently before Parliament – the 'Consultation on institutional changes for the provision of consumer information, advice education, advocacy and enforcement' – and secondary legislation arising from the Public Bodies Bill. It is the view of Government that these processes will be completed by April 2013.

Having considered the circumstances described above and from discussions with the BIS management's expectation is that Consumer Focus will continue to operate in its current form for at least the next 12 months.

As a result, management considers it appropriate to continue to adopt the going concern in preparing the annual report and financial statements.

Risks and uncertainties

The Statement on Internal Control (SIC) on pages 51 to 53 contains a full discussion of the risk and control framework for Consumer Focus.

Consumers face significant added risk in the context of an economic downturn. This, in turn, makes our work all the more urgent, but also raises the risk that, with limited resources, we will not be able to advocate on behalf of consumers in important markets that are failing consumers.

The work and funding of Consumer Focus means that we have very little risk in terms of price risk, credit risk, liquidity or cash flow risk.

As with most public bodies, future funding is a key area of risk. BIS required Consumer Focus to cut 11.6 per cent from its 2010/11 budgets in year and our 2011/12 budget was reduced by a further 11.9 per cent.

Our 2011/12 budget is 25 per cent lower than our 2009/10 budget. HM Treasury continues to develop its debt reduction strategy and it is likely that pressure on funding will continue in the future. Consumer Focus will examine the impact of future funding scenarios.

Research & consumer intelligence

Consumer Focus is an evidenced-based organisation, which depends on high quality, cost-effective acquisition and use of 'consumer intelligence' reflecting consumers' needs to properly inform policy and advocacy. We are reliant on a wide ranging, timely and detailed evidence base. Data is provided through numerous channels and includes:

- a knowledge base on consumer detriment
- data from Consumer Direct and other sources
- industry relationships
- consumer-oriented non-government organisations
- trading standards services
- user generated content from consumers
- academic research
- horizon scanning of policy initiatives likely to impact consumers (including international trends)

Where necessary, Consumer Focus supplements these sources with new primary research that allows us to build a picture of the full diversity of consumer experience and apply that knowledge to the development of policy, advocacy and empowerment.

Sustainability policy

Sustainability is central to Consumer Focus policy work and features as one of our four strategic campaign goals: to harness the appetite of consumers to adopt more sustainable lifestyles. We aim to 'practice what we preach' by managing our own sustainability footprint by monitoring our travel and energy usage, publishing and recycling efforts across the UK.

In April 2010, we signed up to the 10:10 campaign, to reduce our carbon emissions by 10 per cent. With two recent office moves to smaller premises and a reduction in travel across the organisation, we are on target to achieve this. This is part of our wider Sustainable Development Action Plan which shows how Consumer Focus embeds sustainability principles into the day to day operation of the organisation and to the development of policy, advocacy and consumer empowerment.

Single equality scheme

Consumer Focus's single equality scheme and associated action plan took effect from 6 April 2011. It is an important document for the remaining period of the organisation's life, influencing our day-to-day work and guiding us as we help shape the future for consumer support and advocacy after our proposed abolition.

Payment of creditors

Consumer Focus follows the principles of the Better Payment Practice Code in its treatment of suppliers. The key principles were to settle the terms of payment with suppliers when agreeing the transaction, to settle disputes on invoices without delay and to ensure that suppliers were made aware of the terms of payment and to abide by the terms of payment.

| Paid within | 2010/11 | 2009/10 |
|------------------|---------|---------|
| 30 days | 86% | 81% |
| 10 working days* | 51% | 45% |
| 5 working days** | 19% | N/A |

Please note:

- the above percentage does not include payments made by Government Procurement Card, Foreign Payments, Grants or expenses to staff
- the 10 day BIS standard only relates to April 2010*
- in May 2010 the target was reduced to five days in line with the new BIS standard, which is five days from receipt of a valid invoice**

- the figures above have not been adjusted for disputed invoices

Employment issues

Sickness and absence data

During the period 1 April 2010 to 31 March 2011 the average absence was 6.65 days (3.8 days for period 1 April 2009 to 31 March 2010).

Events after reporting period

See note 23.

Pensions

Consumer Focus staff are eligible to be members of the Principal Civil Service Pension Scheme. See note 1.18 and the remuneration report.

Accounts direction

These accounts have been prepared in a form directed by the Secretary of State for BIS with the approval of HM Treasury in accordance with the CEAR Act 2007. These accounts and report are to be laid before each of the Houses of Parliament in accordance with Treasury guidance.

External auditors

The fee for providing external audit services for the full year Financial Statements to 31 March 2011 is £44,600. There was a balance of costs of £2,600 for audit work for 2009/10.

As far as I am aware there is no relevant audit information of which the entity's auditors are unaware, and I have taken all the steps that I should have taken to make myself aware of any relevant audit information and to establish that the entity's auditors were aware of this information

Mike O'Connor

Accounting Officer
5 July 2011

Remuneration report

This report covers Consumer Focus for the period 1 April 2010 to 31 March 2011.

Appointments

Chair and board members are appointed on merit by the Secretary of State on the basis of fair and open competition. The Chief Executive and Executive Directors are employed under permanent contracts.

Consumer Focus

Human Resources & Remuneration Committee* (formerly the Remuneration Policy and HR Committee) membership

The members of the Committee were appointed by the Board in February 2008. Its role is to support the Board in its responsibilities for issues of remuneration and recruitment by reviewing the comprehensiveness of policies and procedures in meeting the Board and Accounting Officer's governance needs and reviewing the reliability and integrity of relevant management systems for both the transition process and the steady state organisation.

During the period to 31 March 2011, the members were Enid Rowlands (Chair), Stephen Locke, Anna Walker**, Douglas Sinclair, Vivienne Sugar and Rick Hill. The committee met six times in the period April 2010 to March 2011. The Chief Executive (Mike O'Connor) was invited to attend committee meetings except those related to discussions involving his personal remuneration.

* The Committee agreed revised Terms of Reference in January 2011 and these were agreed by the Board in February 2011. From that date, the Committee was renamed the Human Resource & Remuneration Committee.

** Anna Walker stepped down from the Committee in February and did not attend the February meeting. The Committee decided, and the Board agreed, that it was not necessary to recruit an additional member in her place.

Service contracts

| | Contract start date | Unexpired term years | Notice period months | Performance bonus % |
|---|---------------------|----------------------|----------------------|---------------------|
| Chief Executive Mike O'Connor | 22 January 2010 | - | 3 months | Nil |
| Deputy Chief Executive Philip Cullum | 1 October 2008 | - | 3 months | Nil |
| Senior Director Scotland Marieke Dwarshuis | 2 February 2010 | - | 3 months | Nil |
| Senior Director Wales Maria Battle | 23 March 2009 | - | 3 months | Nil |
| Finance & Operations Director Graham Clark | 1 May 2009 | - | 3 months | Nil |
| Interim Director of Reputation & Impact Adam Scorer | 16 September 2009 | 1.25 years | 3 months | Nil |

Remuneration report

Unless otherwise stated, early termination, other than for misconduct, would result in compensation as set out in the Civil Service Compensation Scheme.

All of the officers in the table were in post at 31 March 2011.

All members of the Senior Management Team, with the exception of the Chief Executive, have the same Terms & Conditions as all other Consumer Focus staff. Therefore, no special instructions exist with regards to their remuneration. All staff remuneration, including the Chief Executive's, is subject to a pay freeze.

Remuneration

The following information is subject to audit.

| | 2010/11 | | 2009/10 | |
|---|-----------------|---------------------------------------|---------------------------------------|--|
| | Salary £'000 | Benefits in kind (to nearest £100) | Salary £'000 | Benefits in kind (to nearest £100) |
| Chief Executive Mike O'Connor | 110-115 | Nil | 20-25 full year equivalent 110-115 | Nil |
| Deputy Chief Executive Philip Cullum | 80-85 | Nil | 80-85 | Nil |
| Senior Director Scotland Marieke Dwarshuis | 70-75 | Nil | 10-15 (full year equivalent 70-75) | Nil |
| Senior Director Wales Maria Battle | 70-75 | Nil | 70-75 | Nil |
| Finance & Operations Director Graham Clark | 75-80 | Nil | 65-70 (full year equivalent 75-80) | Nil |
| Interim Director of Reputation & Impact Adam Scorer (Appointed to SMT 22 April 2010) | 65-70 | Nil | N/A | N/A |

Pension benefits

| Officer | Real increase in pension (£) | Real increase in lump sum (£) | Pension at ED (£) | Lump sum at ED (£) | CETV at SD *1 (nearest £K) | CETV at ED (nearest £K) | Employee contributions and transfers in (£) | Real increase in CETV as funded by employer (nearest £K) |
|-------------------|--|---|----------------------|-----------------------------|-------------------------------------|----------------------------------|--|---|
| Mike O'Connor | -629 | 0 | 24,126 | 0 | 367 | 385 | 3,850 | -14 |
| Philip Cullum | 380 | 0 | 9,094 | 0 | 125 | 141 | 2,834 | 3 |
| Marieke Dwarshuis | 3,226 | 0 | 11,991 | 0 | 89 | 132 | 2,517 | 33 |
| Maria Battle * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Graham Clark | 1,806 | 0 | 3,462 | 0 | 19 | 42 | 2,749 | 19 |
| Adam Scorer * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

*Maria Battle & Adam Scorer are not currently contributing to the pension scheme; therefore there are no figures to be disclosed

¹ The factors used in the CETV calculation have been revised during this year, mainly to account for the change from the use of RPI to CPI to calculate future pensions increase. This means that the opening CETV value shown in this year's report will differ to the amount shown as the closing CETV value in last years report.

Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

Benefits in kind

The monetary value of benefits in kind covers any benefits treated by HM Revenue and Customs as a taxable emolument. No benefits in kind were received or receivable by Consumer Focus.

Short term staff benefits

Short term employee benefits comprise holiday entitlement accrued but not taken at the year end in line with IAS 19. As at 31 March 2011 this was £28k for senior management.

Pension

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (Classic, Premium and Classic Plus); or a 'whole career' scheme (Nuvos). These statutory arrangements are unfunded with the cost benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, Classic Plus and Nuvos are increased annually in line with changes in the Consumer Price Index (CPI). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5 per cent of pensionable earnings for Classic and 3.5 per cent for Premium and Classic Plus and Nuvos. Benefits in Classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum. Classic Plus is essentially a hybrid with benefits in respects of service before 1 October 2002 calculated broadly as per Classic and benefits for service from October 2002 calculated as in Premium. In Nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with CPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The Partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3 per cent and 12.5 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Remuneration report

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of Classic, Premium and Classic Plus and 65 for members of Nuvos.

Further details about the Civil Service Pension arrangements can be found at the website www.civilservice-pensions.gov.uk

The Cash Equivalent Transfer Values

A Cash Equivalent Transfer Values (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service Pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Remuneration of Consumer Focus Board Members

| Main Board | 2010/11 £'000 | 2009/10 £'000 |
|--|---------------------------|---------------------------|
| Lord Larry Whitty – Chair to 31.12.10 | 35-40 | 45-50 |
| Christine Farnish – Chair 01.01.11 to 31.03.11 Appointed 01.12.10 to 31.05.12 | 20-25 | 10-15 |
| Douglas Sinclair – see Scottish Board | 25-30 | 25-30 |
| Vivienne Sugar – see Wales Board | 25-30 | 25-30 |
| Rick Hill – see Northern Ireland Board | 20-25 | 20-25 |
| Roger Darlington Appointed 25.01.08 to 24.01.12 | 10-15 | 10-15 |
| Sharon Darcy Appointed 25.01.08 to 24.01.12 | 10-15 | 10-15 |
| Ed Gallagher Left in January 2011 | 5-10 | 10-15 |
| Dame Suzi Leather Appointed 25.01.08 to 24.01.13 | 10-15 | 10-15 |
| Sukhvinder Kaur-Stubbs Appointed 25.01.08 to 24.01.13 | 10-15 | 10-15 |
| Stephen Locke Appointed 25.01.08 to 24.01.12 | 10-15 | 10-15 |
| Enid Rowlands Appointed 25.01.08 to 24.01.13 | 10-15 | 10-15 |
| Anna Walker Appointed 25.01.08 to 24.01.13 | 10-15 | 10-15 |
| Consumer Focus Board Scotland | 2010/11 £'000 | 2009/10 £'000 |
| Douglas Sinclair – Chair Appointed 25.01.11 to 24.01.14 | See Main Board Disclosure | See Main Board Disclosure |
| Alan Sinclair Appointed 25.04.08 to 24.04.13 | 5-10 | 5-10 |
| John Sawkins Appointed 25.04.08 to 24.04.13 | 5-10 | 5-10 |
| Nicola Munro Appointed 25.04.08 to 24.04.13 | 5-10 | 5-10 |
| Angela McCormack Appointed 25.04.08 to 24.04.13 | 5-10 | 5-10 |
| Coinneach Maclean Appointed 25.04.08 to 24.04.11. Extended to 24.04.13 | 5-10 | 5-10 |
| Alan Hutton Appointed 25.04.08 to 24.04.11. Extended to 24.04.12 | 5-10 | 5-10 |
| Liz Brekenridge Appointed 25.04.08 to 24.04.12 | 5-10 | 5-10 |

Remuneration report

| Consumer Focus Board Wales | 2010/11 £'000 | 2009/10 £'000 |
|---|---------------------------|---------------------------|
| Vivienne Sugar – Chair Appointed 25.01.11 to 24.01.14 | See Main Board Disclosure | See Main Board Disclosure |
| Bob Chapman Appointed 28.05.08 to 27.05.13 | 5-10 | 5-10 |
| John Williams Appointed 28.05.08 to 27.05.12 | 5-10 | 5-10 |
| Hywel Davies Appointed 28.05.08 to 27.05.12 | 5-10 | 5-10 |
| Kevin Fitzpatrick Appointed 28.05.08 to 27.05.12 | 5-10 | 5-10 |
| Malcolm Smith Appointed 28.05.08 to 27.05.11. Extended to 27.05.12 | 5-10 | 5-10 |
| Marcus Longley Appointed 28.05.08 to 27.05.11. Extended to 27.05.12 | 5-10 | 5-10 |
| Eifon Pritchard Appointed 28.05.08 to 27.05.11. Extended to 27.05.12 | 5-10 | 5-10 |

| Consumer Focus Board Northern Ireland | 2010/11 £'000 | 2009/10 £'000 |
|---|---------------------------|---------------------------|
| Rick Hill – Chair Appointed 17.09.08 to 16.09.11 | See Main Board Disclosure | See Main Board Disclosure |
| Bill Osbourne Appointed 31.10.08 to 30.10.13 | 0-5 | 0-5 |
| Derrick Nixon Appointed 31.10.08 to 30.10.12 | 0-5 | 0-5 |
| Fiona Boyle Appointed 31.10.08 to 30.10.13 | 0-5 | 0-5 |
| Maureen Brennan Appointed 31.10.08 to 30.10.12 | 0-5 | 0-5 |
| Maureen Kearney Appointed 31.10.08 to 30.10.13 | 0-5 | 0-5 |

Mike O'Connor
Accounting Officer
5 July 2011

Statement of Accounting Officer's responsibilities

Under the CEAR Act 2007, the Secretary of State, with the approval of HM Treasury, has directed Consumer Focus to prepare for each financial period a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Consumer Focus and of its income and expenditure, recognised gains and losses and cash flows for the financial period.

In preparing the accounts, Consumer Focus and the Accounting Officer are required to comply with the requirements of the Government Financial Reporting manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis

- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departure in the financial statements
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume Consumer Focus will continue in operation

The Accounting Officer for BIS has designated the Chief Executive as Accounting Officer of Consumer Focus. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Consumer Focus's assets are set out in Managing Public Money published by HM Treasury.

Statement on Internal Control

Introduction

This Statement describes the systems established and operated by Consumer Focus.

Scope of responsibility

As Accounting Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of Consumer Focus's policies, aims and objectives while safeguarding the public funds and assets for which I am personally responsible in accordance with the responsibilities assigned to me under Government Accounting. In addition I am accountable to the Principal Accounting Officer of BIS to enable them to discharge their overall responsibility for ensuring that Consumer Focus has adequate financial systems and procedures in place. The relationship between Consumer Focus and its sponsoring department, BIS, is set out in a formal Management Statement.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Consumer Focus policies; aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically.

Significant Government changes

In the year there have been a number of significant Government announcements. The most significant for us was in October; *a review of Agencies, NDPBs and other arms length bodies*. Under these changes Consumer Focus would be abolished and significant parts of our functions and staff transferred to Citizens Advice and Citizens Advice Scotland. These proposals are currently subject to consultation and are likely to be implemented towards the end of 2012/13. Decisions reflecting the Government's deficit reduction strategy had an affect in the year and will affect us in future years. Key to us are reductions in funding for the non post and energy parts of our work, pay freezes for staff and recruitment restrictions.

Towards the end of the year we moved offices in two of our main locations and also implemented changes to our IT arrangements which enabled us to downsize and reduce costs. This was managed without a break in continuity or reduction in performance, security and control arrangements. We again restructured our GB programme teams to manage our work with the reduced funding and staff. With the funding changes being undertaken and the number of vacancies, controls remained more centralised than we envisaged last year and are likely to remain so. Our management, corporate support functions and system of internal control have continued to be developed throughout the year ended 31 March 2011 and up to the date of approval of the Report and Accounts, and accords with HM Treasury guidance. The improvements have continued as evidenced by the internal audit reports and the recent BIS performance assessment.

Capacity to handle risk

During 2010/11 Consumer Focus transformed its risk management arrangements to recognise the move from a maturing organisation to one facing closure over a two year horizon, this process is ongoing. The responsibilities for risk management within Consumer Focus are:

- the Board for overseeing strategic risk management
- the Audit and Risk Committee for reviewing the systems of internal control and the risk management process
- the Chief Executive, as Accounting Officer, for ensuring that effective systems of control are maintained and operated
- the Executive supports, advises and implements policies approved by the Board and is committed to adopting good risk management practice

Consumer Focus has a statement setting out its strategic approach to risk management that has been agreed with its Board and Directors. The Directors assess and prioritise the key corporate risks with individual directors taking on the role of risk champions. The Audit and Risk Committee and Board receive reports on how key corporate risks are being managed. Risk Management is incorporated into Consumer Focus project management framework and all employees have access to guidance on the application of risk assessment. Our project management system is being simplified but still has risk identified at an early stage of each project, monitored as it progresses and has post-project appraisal and lessons learned processes in place.

We are a relatively low risk organisation, holding relatively low levels of personal or confidential information. This can mean that awareness of the issues is low. We are seeking to raise the profile of these issues. Internal audit conduct regular assessments of our risk management process and our capacity to handle risk. During the year arrangements were put in place to deal with the cuts to future funding levels.

There are a number of challenges ahead for Consumer Focus flowing from reductions in public expenditure. We have reduced our 2011/12 budget by £1.5 million and are in discussion with BIS on the indicative funding for 2012/13. This will be critical to our ability to continue to deliver our work for consumers in what will probably be our last year.

The risk and control framework

The key elements of the risk and control framework include the following:

- the implementation of a corporate plan
- the standard Financial Memorandum of Understanding and Management Statement with BIS
- a senior management team, which meets every four weeks, with weekly teleconference, to consider the plans and strategic direction of the organisation, including high level risks
- the risk management process within Consumer Focus, within which priority is given to mitigating the highest risks
- a rolling programme of audit and assurance work carried out by our internal audit provider
- reports to the Audit and Risk Committee on systems of internal control
- an Audit Committee – reviews progress on implementing Internal Audit and External Audit recommendations
- internal audit – annual work programme is risk-based. Progress and amendments are reported to the Audit Committee
- active review of the high level risk register by the Audit and Risk Committee
- oversight of HR issues, policies and procedures by the HR Committee
- the Board considers the top risks faced by each part of the organisation
- a range of policies and procedures, including Codes of Conduct for employees and Members has been approved that are designed to mitigate against fraud and impropriety

Statement on Internal Control

Consumer Focus recognises the importance of managing its information effectively. All areas of Consumer Focus involve the use of information, knowledge and data – from the consultation process and running of investigations, to project work and the management of resources. We have arrangements in place to ensure that personal data is processed and handled in line with the principles of the Data Protection Act 1998. These arrangements will be strengthened as we need to share data in the next two years. During 2010/11 there were no personal data related incidents at Consumer Focus reportable to the Information Commissioner's Office. Consumer Focus has implemented the relevant sections of the Security Policy Framework. No significant internal control failures occurred in year.

Review of effectiveness

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within Consumer Focus who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Audit and Risk Committee, comprising between three and four non-executive directors, met six times during the year ended 31 March 2011. As Accounting Officer I regularly attend meetings of the Committee.

The Chairman of the Audit and Risk Committee has provided an annual report to the Board concerning internal control and, in addition, regular reports are provided by managers on action being taken to manage risks in their areas of responsibility, including progress reports on key projects. The Committee added a new objective to its Terms of Reference for 2011 to take account of the need to prepare for closure. Consumer Focus's internal auditors operate in accordance with Government Internal Audit Standards. They submit regular reports which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of Consumer Focus's system of internal control together with recommendations for improvement.

I am able to report that there were no significant weaknesses in Consumer Focus's system of internal control in 2010/11 that affected the achievement of key policies aims and objectives of Consumer Focus.

Mike O'Connor

Accounting Officer
5 July 2011

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of Consumer Focus for the year ended 31 March 2011 under the Consumers, Estate Agents and Redress Act 2007. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of Consumer Focus, the Accounting Officer and Auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, Consumer Focus and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Consumers, Estate Agents and Redress Act 2007. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Consumer Focus's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Consumer Focus; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of affairs of Consumer Focus as at 31 March 2011 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Consumers, Estate Agents and Redress Act 2007 and Secretary of State directions issued thereunder.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 1.17 of the financial statements concerning the application of the going concern basis in the light of the Ministerial proposal to dissolve Consumer Focus. This is subject to legislation and there is therefore uncertainty over the ability of Consumer Focus to continue to operate in its current legal form.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Consumers, Estate Agents and Redress Act 2007; and
- the information given in the Accounting Officer's Report and Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP
7 July 2011

Statement of comprehensive net expenditure

for the year ended 31 March 2011

| | Note | 2010/11 £'000 | 2009/10 £'000 |
|--|------|------------------|------------------|
| Expenditure | | | |
| Staff cost | 3a | 9,431 | 11,676 |
| Depreciation | 4a | 268 | 304 |
| Other expenditure | 4a | 8,304 | 11,550 |
| Total operating expenditure | | 18,003 | 23,530 |
| Income | | | |
| Rental income | 5 | (17) | (495) |
| Other income | 6 | (5,437) | (7,659) |
| Total income | | (5,454) | (8,154) |
| Net expenditure | | 12,549 | 15,376 |
| Release from onerous lease provision | 4b | (159) | (2,796) |
| Net expenditure after material transactions | | 12,390 | 12,580 |
| Interest receivable | 7 | (8) | (18) |
| Finance charges payable on leases | | 0 | 22 |
| Interest received and surrendered to BIS | | 6 | 223 |
| | | (2) | 227 |
| Net expenditure after interest | | 12,388 | 12,807 |
| Taxation | 8 | 2 | 5 |
| Net expenditure after tax | | 12,390 | 12,812 |
| Other comprehensive expenditure | | | |
| | Note | 2010/11 | 2009/10 |
| Net gain/(loss) on revaluation of property, plant & equipment | 10 | 0 | 0 |
| Net gain/(loss) on revaluation of intangibles | 9 | 0 | 0 |
| Net gain/(loss) on revaluation of available for sales financial assets | | 0 | 0 |
| | | 0 | 0 |

In accordance with changes to the Government Financial Reporting Manual, the 2010/11 statement has been adjusted to exclude the notional cost of capital and the reversal of the notional cost of capital. As this adjustment has no impact on the statement of financial position, a statement of financial position as at 31 March 2009 has not been presented.

Statement of financial position

As at 31 March 2011

| | Note | As at 31 March 2011 £'000 | As at 31 March 2010 £'000 |
|---|------|---------------------------------|---------------------------------|
| Non-current assets: | | | |
| Intangible assets | 9 | 54 | 142 |
| Property, plant and equipment | 10 | 579 | 807 |
| Total non current assets | | <u>633</u> | <u>949</u> |
| Current assets | | | |
| Trade and other receivables | 11 | 411 | 1,124 |
| Cash and cash equivalents | 12 | 4,786 | 5,592 |
| Total current assets | | <u>5,197</u> | <u>6,716</u> |
| Total assets | | 5,830 | 7,665 |
| Current liabilities | | | |
| Trade and other payables | 13 | (1,387) | (2,116) |
| Current tax liabilities | 13 | (67) | (67) |
| Other liabilities | 13 | (3,375) | (5,318) |
| Total current liabilities | | <u>(4,829)</u> | <u>(7,501)</u> |
| Non current assets plus net current assets | | 1,001 | 164 |
| Non current liabilities | | | |
| Other payables | 13 | - | - |
| Provisions | 14 | (2,502) | (3,405) |
| Total non current liabilities | | <u>(2,502)</u> | <u>(3,405)</u> |
| ASSETS LESS TOTAL LIABILITIES | | <u>(1,501)</u> | <u>(3,241)</u> |
| Taxpayers' equity | | | |
| I&E reserve | | (1,501) | (3,241) |
| Revaluation reserve | | - | - |
| | | <u>(1,501)</u> | <u>(3,241)</u> |

The financial statements on pages 56 to 59 were approved by the Board on 28 June 2011 and were signed on its behalf by

Mike O'Connor

Accounting Officer

The notes on pages 60 to 82 form part of these accounts

Statement of cash flows

for year ending 31 March 2011

| | Note | 2010/11 £'000 | 2009/10 £'000 |
|---|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net deficit | 18a | (11,926) | (12,441) |
| Decrease in trade and other receivables | 11 | 713 | 1,862 |
| Decrease in trade payables | 13 | (2,668) | (3,774) |
| Movement in provisions | 14 | (903) | (4,628) |
| Taxation | | (3) | (44) |
| Net cash outflow from operating activities | | (14,787) | (19,025) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (111) | (214) |
| Purchase of intangible assets | | 0 | (26) |
| Proceeds of disposal of property, plant and equipment | | 7 | 0 |
| Net cash outflow from investing activities | | (104) | (240) |
| Cash flows from financing activities | | | |
| Grant-in-aid received to fund current year activities | 18b | 14,085 | 21,854 |
| Capital element of payments in respect of finance leases | | 0 | (56) |
| Net financing | | 14,085 | 21,798 |
| Net decrease in cash and cash equivalents in the period | | (806) | 2,533 |
| Cash and cash equivalents at the beginning of the period | 12 | 5,592 | 3,059 |
| Cash and cash equivalents at the end of the period | 12 | 4,786 | 5,592 |

Statement of changes in taxpayers' equity

for year ending 31 March 2011

| | Note | Revaluation Reserve £'000 | I&E Reserve £'000 | Total Reserve £'000 |
|--|------|---------------------------------|-------------------------|---------------------------|
| Opening taxpayers' equity at 1 April 2009 | | (1) | 7,234 | 7,233 |
| Changes in taxpayers' equity 2009/10 | | | | |
| Release of revaluation reserve to the Statement of Comprehensive Net Expenditure | | 1 | (1) | 0 |
| Retained deficit | | | 12,812 | 12,812 |
| | | 0 | 20,045 | 20,045 |
| Grant-in-aid Revenue | | | (16,750) | (16,750) |
| Capital | | | (54) | (54) |
| Balance at 31 March 2010 | | 0 | 3,241 | 3,241 |
| Opening taxpayers' equity as at 1 April 2010 | | 0 | 3,241 | 3,241 |
| Actuarial (gain)/losses | 14a | | (45) | (45) |
| Retained deficit for the year | | | 12,390 | 12,390 |
| Grant-in-aid Revenue | | | (13,885) | (13,885) |
| Capital | | | (200) | (200) |
| Balance at 31 March 2011 | | 0 | 1,501 | 1,501 |

Notes to the financial statements

1.1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2010/11 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Consumer Focus for the purpose of giving a true and fair view has been selected. The particular policies adopted by Consumer Focus are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.2 Accounting convention

These financial statements have been prepared under the historical cost convention.

1.3 Intangible assets

Intangible assets do not have physical substance but are identifiable and controlled through custody or legal rights, for example licences, quotas, patents, copyrights, franchises and trademarks. The only intangible assets that are capitalised in Consumer Focus's accounts are purchased software licences and applications software (not integrated into hardware) with a life of more than one year. Intangibles are accounted for in accordance with IAS 38 Intangible Assets.

1.4 Property, plant and equipment

These are assets of a physical nature that are above the capitalisation threshold, and are in use in delivering Consumer Focus's aims and objectives and that have an economic useful life of more than one year. Operating software is capitalised with the hardware that supports it if it is deemed an integral part of the hardware. Property, plant and equipment are accounted for in accordance with IAS 16.

1.5 Measurement

Consumer Focus has elected to adopt a depreciated historical cost basis as a proxy for current valuations for assets that have short useful economic lives and low values. This applies to all categories of assets held by Consumer Focus.

1.6 Recognition and capitalisation threshold

The threshold for capitalisation of non-current assets (either as a single or as a composite asset) is £5,000, or above, inclusive of irrecoverable VAT. Furniture and fittings (eg workstations, chairs, filing cabinets) and low value IT assets or equipment (eg scanners, printers) are capitalised on a pooled basis where batches of assets bought together exceed the capitalisation threshold. Disposals from asset pools are assumed to be on a first in/first out basis.

Notes to the financial statements

1.7 Depreciation and amortisation

Depreciation is provided on all non-current assets at rates calculated to write off the cost or valuation of each asset, less any estimated residual value, evenly over its expected useful life. Amortisation is the same concept when applied to intangible fixed assets.

The useful economic life of an asset is the period over which it is expected to be used in the business and over which it is depreciated or amortised. The Consumer Focus accounting policy is to depreciate fixed assets over the following useful economic lives:

| Asset Type | Useful Economic Life |
|------------------------------|-----------------------------|
| Computers | 2-10 years |
| Software | 3-5 years |
| Furniture and fixtures | 5 years |
| Other office based equipment | 3-5 years |
| Leased assets | over the lease term |

1.8 Net expenditure

All income and expenditure is recognised on an accruals basis.

Income received for the delivery of various projects is recognised at the same rate as work is carried out on the project. Where the income has been received but the work has not been completed at the year end, deferred income is recognised.

1.9 Operating and finance leases

Where substantially all risks and rewards of ownership are borne by Consumer Focus, the asset is recorded as a non-current asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease, and included under current and non current liabilities. The interest element of the finance lease payment is charged to the income and expenditure account over the period of the lease at a constant rate in relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the income and expenditure account on a straight line basis over the term of the lease.

1.10 Financial assets and liabilities

Financial assets and liabilities are measured at fair value plus transaction costs.

Financial assets are de-recognised when the rights to receive future cash flows has expired or been transferred and Consumer Focus has transferred substantially all the risks and rewards of ownership.

1.10.1 Financial assets

Consumer Focus classifies and holds financial assets in the following categories:

Trade receivables
Other receivables
Prepayments

The categorisation depends on the purpose for which the financial asset is held or acquired. Management determines the categorisation of financial assets at initial recognition and re-evaluates this designation at each reporting date.

1.10.2 Financial liabilities

Consumer Focus classifies and holds financial liabilities in the following categories:

Trade and other payables
Other liabilities

The categorisation depends on the purpose for which the financial liability is held or acquired. Management determines the categorisation of financial liabilities at initial recognition and re-evaluates this designation at each reporting date.

1.11 Provisions

In accordance with IAS 37 Consumer Focus provides for legal and constructive liabilities which are of uncertain timing or amount at the Statement of Financial Position date on the basis of best estimate of the expenditure required to settle the obligation. Where the effect of the time value for money is significant the estimated cash flows are discounted using the real rate set by HM Treasury (currently 2.9 per cent for Early Retirement Provisions and 2.2 per cent for any other provision).

In accordance with IAS 19 all actuarial gains/losses are recognised in the statement of changes in taxpayers' equity in the year in which they are incurred.

1.12 Contingent liabilities

In accordance with IAS 37, Consumer Focus discloses as contingent liabilities potential future obligations arising from past obligating events, where the existence of such obligations remains uncertain pending the outcome of future events outside of Consumer Focus's control, unless their likelihood is considered remote.

Notes to the financial statements

1.13 Taxpayer's equity

This is made up of the following:

- a) income and expenditure reserve
- b) revaluation reserve reflecting the unrealised balance of the cumulative indexation and revaluation adjustments to assets other than donated assets and those funded by grants
- c) grant-in-aid is treated as financing and taken directly to the I&E reserve

1.14 Significant estimation techniques

In accounting for employee benefits, determining the value of the outstanding leave accrual was based on actual outstanding annual leave data collected by management as at 31 March 2011.

In accounting for post termination benefits, judgements are made as to the longevity of recipients and on their entitlements to post retirement benefits. The values of scheme liabilities are determined by actuarial estimates regarding the longevity of current and deferred pensioners and long term rates of inflation.

Where income is received for long term projects it is recognised to the Statement of Comprehensive Net Expenditure Account when the work is carried out. At least once annually a review is undertaken of the work left to be carried out on the long term projects and an assessment is made as to whether any long term projects require deferred income to be held on the Statement of Financial Position or released to the Statement of Comprehensive Net Expenditure.

1.15 VAT

Consumer Focus is not VAT registered as a consequence Value Added Tax is included with the expenditure to which it relates including expenditure on assets.

1.16 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS). These defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. Consumer Focus recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, Consumer Focus recognises the contributions payable for the year.

No recognition of the employees PCSPS scheme is or will be made in Consumer Focus accounts as this is a multi-employer scheme and liability for payment of future benefits does not lie with Consumer Focus.

1.17 Going concern

The accounts have been prepared on a going concern basis.

In October 2010, the Government announced its intention to close Consumer Focus. The closure is dependent on the passage of legislation and therefore whether Consumer Focus will close and any resulting timetable for closure has yet to be decided.

Having considered the circumstances described above and from discussions with BIS management's expectation is that Consumer Focus will continue to operate in its current form for at least the next 12 months. As a result, management considers it appropriate to continue to adopt the going concern basis in preparing the annual report and financial statements.

1.18 Interest received and surrendered to BIS

In accordance with Manageing Public Money Annex 5.7B, interest earned from commercial bank accounts is paid over to BIS for onward transmission to the Consolidated Fund.

Notes to the financial statements

2 Analysis of net expenditure by segment

| 2010/11 | Core £'000 | NSMC £'000 | Scottish externally funded projects £'000 | TOTAL £'000 |
|------------------------|---------------|---------------|---|----------------|
| Staff expenditure | 7,489 | 1,169 | 773 | 9,431 |
| Other expenditure | 5,526 | 1,870 | 908 | 8,304 |
| Depreciation | 268 | 0 | 0 | 268 |
| Income | (128) | (3,579) | (1,747) | (5,454) |
| Net Expenditure | 13,155 | (540) | (66) | 12,549 |

| 2009/10 | Core £'000 | NSMC £'000 | Scottish externally funded projects £'000 | TOTAL £'000 |
|------------------------|---------------|---------------|---|----------------|
| Staff expenditure | 8,225 | 2,669 | 782 | 11,676 |
| Other expenditure | 7,647 | 2,836 | 1,067 | 11,550 |
| Depreciation | 304 | 0 | 0 | 304 |
| Income | (801) | (5,505) | (1,848) | (8,154) |
| Net Expenditure | 15,375 | 0 | 1 | 15,376 |

Core: Consumer Focus is financed by grant-in-aid from BIS. The CEAR Act provides for the Department to recover an appropriate proportion of the organisation's expenses from the holders of gas, electricity and postal licences under the provisions of the Utilities Act 2000 and Postal Services Act 2000.

NSMC: The National Social Marketing Centre works primarily with the Department of Health (DH) to build capacity and skills in social marketing related to health. This funding by DH ran until 31 March 2011.

Scottish externally funded projects: Consumer Focus Scotland receives funding from the Scottish Government to lead a number of mainly health related projects in the areas of healthy eating and access to information. These projects have been running for a number of years and are at various stages of completion and renewal.

3a Staff costs

| | 2010/11 | 2009/10 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Wages and salaries | 6,872 | 7,197 |
| Social security costs | 498 | 544 |
| Pension contributions | 1,221 | 1,275 |
| Temporary staff and secondees | 341 | 2,333 |
| Redundancy, early retirement and severance costs | 499 | 327 |
| | <u>9,431</u> | <u>11,676</u> |
| Average number of staff | 2010/11 | 2009/10 |
| Staff permanently employed | 179 | 189 |
| Temporary and casual staff | 15 | 37 |
| | <u>194</u> | <u>226</u> |

3b Exit packages

| Exit package cost band | Number of compulsory redundancies | | Number of other departures agreed | | Total number of exit packages by cost band | |
|---------------------------------------|-----------------------------------|---------|-----------------------------------|---------|--|---------|
| | 2010/11 | 2009/10 | 2010/11 | 2009/10 | 2010/11 | 2009/10 |
| <£10,000 | 2 | 0 | 3 | 0 | 5 | 0 |
| £10,000 - £25,000 | 4 | 0 | 2 | 0 | 6 | 0 |
| £25,000 - £50,000 | 0 | 0 | 1 | 0 | 1 | 0 |
| £50,000 - £100,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| £100,000 - £150,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| £150,000 - £200,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total number of exit packages by type | 6 | 0 | 6 | 0 | 12 | 0 |
| Total resource cost/£ | 67,650 | 0 | 73,635 | 0 | 141,285 | 0 |

Redundancy and other departure costs have been paid in accordance with the provision of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in the full year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Notes to the financial statements

Pension schemes

The PCSPS is an unfunded multi employer defined benefit scheme but Consumer Focus is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2007 and details can be found in the resource accounts of the Cabinet Office: Civil Service superannuation (www.civilservice-pension.gov.uk).

Superannuation benefits are provided under the Principal Civil Service Pension Schemes (PCSPS). Consumer Focus employees are members of this scheme. The scheme is non contributory for employees, apart from widows' and widowers' benefits and additional contributions to the Classic Plus and Premium schemes. Employer contributions of £1,221k (2009/10: £1,275k) were payable to the PCSPS for the year to 31 March 2011, at one of four rates in the range 16.7 per cent to 24.3 per cent of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £20,174 (£2009/10: £17,079) were paid to one or more stakeholder pension providers. Employer's contributions are age related and range between 3 and 12.5 per cent of pensionable pay. Employers also match contributions up to 3 per cent of pensionable pay. In addition employee contributions of £2,700 (2009/10: £2,224) (0.8 per cent of pensionable pay) were due to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

4a Other expenditure

| | 2010/11 £'000 | 2009/10 £'000 |
|---|------------------|------------------|
| NSMC project delivery costs | 2,326 | 2,594 |
| Travel and subsistence | 231 | 486 |
| Office costs (including postage, IT, web development, copying and telecommunications) | 386 | 573 |
| ICT | 510 | 731 |
| Research and consultation | 1,672 | 2,549 |
| Staff learning and development (including Board development) | 93 | 208 |
| Other staff related costs (including recruitment and advertising) | 19 | 322 |
| Promotions, campaigns and marketing | 222 | 608 |
| Consultancy and professional fees | 253 | 536 |
| Rent, rates and associated services | 1,768 | 2,026 |
| Impairment | 0 | 54 |
| Loss/(profit) on disposal of fixed assets | 148 | 8 |
| Auditors remuneration* | 47 | 59 |
| Subscriptions and publications | 206 | 281 |
| Conference costs | 35 | 122 |
| Grants and donations | 145 | 180 |
| Change in existing provisions | (229) | (97) |
| Unwinding of discount factor | 73 | 175 |
| Other costs | 191 | 123 |
| Dilapidations | 208 | 12 |
| | <u>8,304</u> | <u>11,550</u> |
| | <u>268</u> | <u>304</u> |

* figure includes £44,600 for audit fee for 2010/11 and £2,600 balance of cost for 2009/10 audit

Notes to the financial statements

4b Onerous lease cost arising on closure of bodies forming Consumer Focus

| | 2010/11 £'000 | 2009/10 £'000 |
|--|------------------|------------------|
| Release of onerous lease costs on leasehold properties - Postwatch | 0 | (2,631) |
| Release of onerous lease costs on leasehold properties - energywatch | (159) | (165) |
| | <u>(159)</u> | <u>(2,796)</u> |

Consumer Focus found it necessary to create a provision for onerous leases on the closure of the predecessor bodies, energywatch and Postwatch. These property leases transferred to Consumer Focus on 1 October 2008. Under Government Accounting convention, Consumer Focus has made provisions for the future costs of the leases that have not been reassigned and that are surplus to Consumer Focus's requirements, less any receipts for sub-letting. These future costs relate to the minimum term of the leases discounted at the Government real discount rate advised by HM Treasury (currently 2.2 per cent). The release of provisions in 2009/10 and 2010/11 reflects that certain properties were disposed of earlier than originally expected.

4c Expenditure on the main work streams

| | £000's Total | £000's Energy | £000's Post | £000's BIS | £000's Other |
|---|-----------------|------------------|----------------|---------------|-----------------|
| Total operating expenditure as per statement of comprehensive net expenditure | 18,003 | 5,174 | 2,971 | 5,138 | 4,720 |
| Less Scottish Government funded projects | (1,747) | | | | (1,747) |
| Less National Social Marketing Centre | (3,579) | | | | (3,579) |
| Less rental for legacy buildings | (17) | (17) | | | |
| Less other income | (111) | | | (55) | (56) |
| Net expenditure as per Statement of comprehensive net expenditure | <u>12,549</u> | <u>5,157</u> | <u>2,971</u> | <u>5,083</u> | <u>(662)</u> |
| Add back related provision movement | 656 | 632 | 16 | 8 | 0 |
| Add back deferred income movement | 662 | 0 | 0 | 0 | 662 |
| Cash equivalent per work stream | <u>13,867</u> | <u>5,789</u> | <u>2,987</u> | <u>5,091</u> | <u>(0)</u> |

5 Rental income

| | 2010/11 £'000 | 2009/10 £'000 |
|--|------------------|------------------|
| Rental income from sub-let of property | (17) | (495) |
| | <u>(17)</u> | <u>(495)</u> |

6 Other income

| | 2010/11 £'000 | 2009/10 £'000 |
|--------------|------------------|------------------|
| Other income | (5,437) | (7,659) |
| | <u>(5,437)</u> | <u>(7,659)</u> |

Other income consists principally of income in relation to projects undertaken by the National Social Marketing Centre in conjunction with the Department of Health and Consumer Focus Scotland projects funded by the Scottish Government. This may be analysed as follows:

| | 2010/11 £'000 |
|----------------------------------|------------------|
| National Social Marketing Centre | (3,579) |
| Consumer Focus Scotland | (1,747) |
| Other | (111) |
| | <u>(5,437)</u> |

Consumer Focus Scotland figure includes £77k of funding from NHS Scotland.

7 Interest receivable and payable

| | 2010/11 £'000 | 2009/10 £'000 |
|--|------------------|------------------|
| Receivable from the bank for funds on short term deposit | (8) | (18) |
| | <u>(8)</u> | <u>(18)</u> |

8 Corporation tax

| | 2010/11 £'000 | 2009/10 £'000 |
|---------------------|------------------|------------------|
| Current tax | 2 | 5 |
| Charge for the year | <u>2</u> | <u>5</u> |

Corporation tax is paid on the interest received from our commercial bank account. The figure has been calculated using 21 per cent of interest received.

Notes to the financial statements

9 Intangibles

| | Software £'000 | Licences £'000 | Totals £'000 |
|------------------|-------------------|-------------------|-----------------|
| At 1 April 2009 | 330 | 127 | 457 |
| Additions | 26 | 0 | 26 |
| Disposals | (114) | 0 | (114) |
| Revaluations | 0 | 0 | 0 |
| At 31 March 2010 | 242 | 127 | 369 |
| At 1 April 2010 | 242 | 127 | 369 |
| Additions | 0 | 0 | 0 |
| Derecognition** | 0 | 0 | 0 |
| Disposals | (168) | (42) | (210) |
| Revaluations | 0 | 0 | 0 |
| At 31 March 2011 | 74 | 85 | 159 |

Amortisation

| | | | |
|--------------------------|-------|------|-------|
| At 1 April 2009 | (261) | (36) | (297) |
| Provided during the year | (26) | (18) | (44) |
| Disposals | 114 | 0 | 114 |
| Revaluations | 0 | 0 | 0 |
| At 31 March 2010 | (173) | (54) | (227) |
| At 1 April 2010 | (173) | (54) | (227) |
| Provided during the year | (34) | (21) | (55) |
| Derecognition** | 0 | 0 | 0 |
| Disposal | 156 | 21 | 177 |
| Revaluations | 0 | 0 | 0 |
| At 31 March 2011 | (51) | (54) | (105) |

Net book value

| | | | |
|------------------|----|----|-----|
| At 31 March 2011 | 23 | 31 | 54 |
| At 31 March 2010 | 69 | 73 | 142 |
| At 1 April 2009 | 69 | 91 | 160 |

10 Property, plant and equipment

| | Leasehold improvements £'000 | Information technology £'000 | Furniture and fixtures £'000 | Other office equipment £'000 | Totals £'000 |
|---------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------|
| Cost or valuation | | | | | |
| At 1 April 2009 | 1,335 | 1,573 | 1,359 | 876 | 5,143 |
| Additions | 0 | 104 | 37 | 73 | 214 |
| Derecognition** | 0 | (80) | (431) | (30) | (541) |
| Disposals | (496) | (1,020) | (761) | (796) | (3,074) |
| Revaluations | 0 | 0 | 0 | 0 | 0 |
| At 31 March 2010 | 839 | 577 | 204 | 123 | 1,743 |
| At 1 April 2010 | 839 | 577 | 204 | 123 | 1,743 |
| Additions | 80 | 14 | 8 | 8 | 111 |
| Derecognition** | 0 | 0 | 0 | 0 | 0 |
| Disposals | (631) | (128) | (6) | (25) | (790) |
| Revaluations | 0 | 0 | 0 | 0 | 0 |
| At 31 March 2011 | 288 | 463 | 206 | 106 | 1,064 |
| Depreciation | | | | | |
| At 1 April 2009 | (926) | (1,214) | (1,259) | (828) | (4,227) |
| Provided during the year | (106) | (101) | (32) | (22) | (261) |
| Derecognition** | 0 | 80 | 431 | 30 | 541 |
| Disposal | 496 | 1,020 | 754 | 795 | 3,065 |
| Impairment* | (54) | 0 | 0 | 0 | (54) |
| Revaluations | 0 | 0 | 0 | 0 | 0 |
| At 31 March 2010 | (590) | (215) | (106) | (25) | (936) |
| At 1 April 2010 | (590) | (215) | (106) | (25) | (936) |
| Provided during the year | (65) | (98) | (25) | (24) | (212) |
| Derecognition** | 0 | 0 | 0 | 0 | 0 |
| Disposal | 571 | 76 | 6 | 11 | 663 |
| Revaluations | 0 | 0 | 0 | 0 | 0 |
| At 31 March 2011 | (85) | (237) | (126) | (38) | (485) |
| Net book value | | | | | |
| At 31 March 2011 | 203 | 227 | 80 | 68 | 579 |
| At 31 March 2010 | 249 | 362 | 98 | 98 | 807 |
| At 1 April 2009 | 409 | 359 | 100 | 48 | 916 |
| Asset financing | | | | | |
| Owned | 203 | 227 | 80 | 68 | 579 |
| Finance leased | 0 | 0 | 0 | 0 | 0 |
| Net book value as at 31 March 2011 | 203 | 227 | 80 | 68 | 579 |

Notes to the financial statements

*In May 2010 Consumer Focus disposed of leasehold interests in properties relating to predecessor bodies. An impairment loss of £54,000 was recognised in the March 2010 accounts.

** Predecessor organisation had lower threshold for capitalising assets, (Consumer Focus threshold is set out in Note 1.7). In March 2010 accounts assets that were fully depreciated and below the current threshold were derecognised.

11 Trade receivables and other current assets

| | As at 31 March 2011 £'000 | As at 31 March 2010 £'000 |
|--|--|--|
| Amounts falling due within one year: | | |
| Trade receivables | 29 | 196 |
| Other receivables | 20 | 19 |
| Prepayments | 328 | 907 |
| | <u>377</u> | <u>1,122</u> |
| Receivables due after more than one year | 34 | 2 |
| Total receivables | <u>411</u> | <u>1,124</u> |

11a Intra-government balances

| | As at 31 March 2011 | | As at 31 March 2010 | |
|---|---|---|---|---|
| | Receivables: Amounts falling due within one year £'000 | Receivables: Amounts falling due after one year: £'000 | Receivables: Amounts falling due within one year £'000 | Receivables: Amounts falling due after one year: £'000 |
| Balances with central Government bodies | 85 | 0 | 77 | 0 |
| Balances with local authorities | 0 | 0 | 249 | 0 |
| Balances with bodies external to Government | 292 | 34 | 796 | 2 |
| Total | <u>377</u> | <u>34</u> | <u>1,122</u> | <u>2</u> |

12 Cash and cash equivalents

| | As at 31 March 2011 £'000 | As at 31 March 2010 £'000 |
|-----------------------|--|--|
| As at 1 April | 5,592 | 3,059 |
| Cash inflow (outflow) | <u>(806)</u> | <u>2,533</u> |
| As at 31 March | <u>4,786</u> | <u>5,592</u> |

13 Trade payables and other current liabilities

| | As at 31 March 2011 £'000 | As at 31 March 2010 £'000 |
|--|--|--|
| Amounts falling due within 1 year: | | |
| Trade payables | (89) | (8) |
| Accruals | <u>(1,298)</u> | <u>(2,108)</u> |
| Trade and other payables | <u>(1,387)</u> | <u>(2,116)</u> |
| Other taxation and social security and pension contributions | (186) | (198) |
| Deferred income | (3,046) | (4,885) |
| Lease payments due | 0 | (227) |
| Other payables | (143) | (8) |
| Other liabilities | <u>(3,375)</u> | <u>(5,318)</u> |
| Corporation tax | <u>(67)</u> | <u>(67)</u> |
| Amounts falling due after more than 1 Year: | | |
| Other payables | 0 | 0 |
| Finance leases | <u>0</u> | <u>0</u> |
| | <u>0</u> | <u>0</u> |

Notes to the financial statements

13a Intra-government balances

| | As at 31 March 2011 | | As at 31 March 2010 | |
|---|--|--|--|---|
| | Payables: Amounts falling due within one year £'000 | Payables: Amounts falling due after one year: £'000 | Payables: Amounts falling due within one year £'000 | Payables: Amounts falling due after one year £'000 |
| Balances with central Government bodies | 3,573 | 0 | 5,534 | 0 |
| Balances with local authorities | 1 | 0 | 6 | 0 |
| Balances with NHS bodies | 0 | 0 | 20 | 0 |
| Balances with public corporations and trading funds | 5 | 0 | 36 | 0 |
| Balances with bodies external to Government | 1,250 | 0 | 1,905 | 0 |
| Total | 4,829 | 0 | 7,501 | 0 |

14 Provisions for liabilities and charges

| | Onerous leases provision | Leasehold obligations provision | Early retirement provision | | Early retirement provision on merger | Pension provision | Legal fees | Others | Total |
|----------------------------------|--------------------------|---------------------------------|----------------------------|-------|--------------------------------------|-------------------|------------|--------|---------|
| | | | GCC | EW | | | | | |
| As at 1 April 2009 | (5,248) | (36) | (96) | (288) | (1,987) | (378) | 0 | 0 | (8,033) |
| New provision recognised | 0 | 0 | 0 | 0 | 0 | 0 | (50) | 0 | (50) |
| Amounts used in the period | 1,552 | 34 | 79 | 87 | 375 | 27 | 0 | 0 | 2,154 |
| Changes to existing provisions | 2,796 | 2 | (3) | (25) | (15) | (56) | 0 | 0 | 2,699 |
| Unwinding of the discount factor | (25) | 0 | (1) | (17) | (132) | 0 | 0 | 0 | (175) |
| Balance at 31 March 2010 | (925) | 0 | (21) | (243) | (1,759) | (407) | (50) | 0 | (3,405) |
| As at 1 April 2010 | (925) | 0 | (21) | (243) | (1,759) | (407) | (50) | 0 | (3,405) |
| New provision recognised | 0 | 0 | 0 | 0 | (363) | 0 | 0 | (42) | (405) |
| Amounts used in the period | 532 | 0 | 21 | 40 | 367 | 35 | 40 | 0 | 1,035 |
| Changes to existing provisions | 159 | 0 | 0 | 4 | 111 | 45 | 10 | 0 | 329 |
| Unwinding of the discount factor | (5) | 0 | 0 | (2) | (49) | 0 | 0 | 0 | (56) |
| Balance at 31 March 2011 | (239) | 0 | 0 | (201) | (1,693) | (327) | 0 | (42) | (2,502) |

Notes to the financial statements

| | Onerous leases provision | Early retirement - EW | Early retirement provision on merger | Pension provision | Others | Total |
|---|--------------------------|-----------------------|--------------------------------------|-------------------|-------------|----------------|
| Not later than one year | (56) | (52) | (332) | (26) | (42) | (508) |
| Later than one year and not later than five years | (183) | (149) | (1,128) | (104) | 0 | (1,564) |
| Later than five years | 0 | 0 | (233) | (197) | 0 | (430) |
| Balance as 31 March 2011 | (239) | (201) | (1,693) | (327) | (42) | (2,502) |

a Onerous leases and leasehold obligations provisions

The provision for onerous leases is in respect of the ongoing payments for properties previously occupied by legacy organisations but which were surplus to requirements for Consumer Focus's needs when they were transferred to Consumer Focus on 1 October. The provision includes properties with leases which terminate between 2008 and 2014. The actual costs involved are not certain at the balance sheet date, being subject to revision through rent reviews, etc. Future income streams have been recognised in calculating the provision for any properties that have been sub-let.

The leasehold obligations provision relates to obligations under the terms of the lease agreement for a legacy body's premises that was transferred to Consumer Focus on 1 October 2008.

b Provisions for early retirement pensions: Gas Consumer Council (GCC)

The provisions for early retirement reflect Consumer Focus's ongoing obligation to make payments into the pension schemes of former employees of the GCC, a legacy body of energywatch, for those individuals who were made redundant prior to the period covered by these financial statements. The amount reflected above is a reasonable estimate based on the most recently available information, although the actual amount to be paid will be affected by factors beyond Consumer Focus's control. The payments are funded through grant-in-aid from BIS. The obligations will terminate in 2011.

c Provisions for early retirement pensions: energywatch (EW)

The provisions for early retirement reflect Consumer Focus's ongoing obligation to make payments into the pension schemes of former employees of EW who were made redundant prior to the period covered by these financial statements. The amount reflected above is a reasonable estimate based on the most recently available information, although the actual amount to be paid will be affected by factors beyond Consumer Focus's control. The payments are funded through grant-in-aid from BIS. The obligations will terminate in 2015.

d Provision for early retirement on closure of merged bodies

The provisions for early retirement reflect Consumer Focus's obligations to make payments into the pension scheme of former employees of the merged bodies who were made redundant. The amount reflected above is a reasonable estimate based on the most recent available information. The payments are funded through grant-in-aid from BIS. The obligations will terminate in 2018.

e Provision for others

The provision relates to the cancellation charges for the IT data centre services, the level of which are currently being disputed.

f Pension provision

| | 2010/11 £'000 | 2009/10 £'000 |
|---|------------------|------------------|
| Balance at 1 April 2010 | 407 | 378 |
| Analysis of amount charged to the statement of comprehensive net expenditure | | |
| Past service costs | (26) | 0 |
| Interest costs | 17 | 22 |
| Benefits paid | | |
| Benefits paid | (26) | (27) |
| Total amount charged to statement of comprehensive net expenditure | (35) | (5) |
| Analysis of the amount recognised in the statement of changes in taxpayers' equity | | |
| Experience (gain)/loss | (29) | (26) |
| Actuarial (gain)/loss | (16) | 60 |
| Total amount recognised in the statement of changes in taxpayers' equity | (45) | 34 |
| Balance at 31 March 2011 | 327 | 407 |

IAS19 clause 120A requires that the cumulative amount of actuarial gains and losses is disclosed. For periods since 1 April 2009 our records indicate that the actuarial gains and losses have been as follows:

| | |
|---------------------------------|----------------------------------|
| Year to 31 March 2010 | Actuarial loss of £34,000 |
| Year to 31 March 2011 | Actuarial gain of £45,000 |
| Total since 1 April 2009 | Actuarial gain of £11,000 |

The pension provision relates to EW's ongoing payments in respect of the pension liabilities for the former Chairmen of the Electricity Consumer Committees (ECC). The pension scheme for these former chairmen was analogous with the PCSPS pension scheme. The provision was taken on from Ofgem in 2002/03. There are uncertainties surrounding the actual payments to be made, which are currently based on actuarial estimates. The pension liability was revalued by the Government Actuary's Department on 31 March 2011 and has been estimated to be £327k.

Notes to the financial statements

Liabilities are valued on an actuarial basis using the Projected Unit Method. The main actuarial assumptions are as follows:

| | Year ending 31/03/11 | Year ending 31/03/10 |
|---|-------------------------|-------------------------|
| Discount rate | 5.60% pa | 4.60% pa |
| Rate of increase in salaries | 4.90% pa | 4.29% pa |
| Rate of increase in pensions in payment | 2.65% pa | 2.75% pa |
| CPI inflation assumption | 2.65% pa | 2.00% pa |
| RPI inflation assumption | | 2.75% pa |

Analysis of actuarial loss

| | 2010/11 £'000 | 2009/10 £'000 |
|---|------------------|------------------|
| Experience (gain)/losses arising on the scheme liabilities | (29) | (26) |
| Changes in assumptions underlying the present value of scheme liabilities | (16) | 60 |
| Per statement of changes in taxpayers' equity | (45) | 34 |

History of experience losses

| | Year Ending 31/03/11 | Year Ending 31/03/10 | Year Ending 31/03/09 |
|---|-------------------------|-------------------------|-------------------------|
| Experience loss/(gain) arising on the scheme liabilities | | | |
| Amount (£'000s) | (29) | (26) | 18 |
| Percentage of scheme liabilities at the end of the year | -9.0% | -6.3% | 4.7% |

Life expectancy at retirement

| Current Pensioners | As at 31 March 2010 | | As at 31 March 2011 | |
|--------------------|---------------------|-------------|---------------------|-------------|
| | Men (yrs) | Women (yrs) | Men (yrs) | Women (yrs) |
| Exact age | | | | |
| 60 | 29.1 | 32.3 | 29.2 | 32.5 |
| 65 | 23.9 | 27.1 | 24.1 | 27.3 |

| Future pensioners* | As at 31 March 2010 | | As at 31 March 2011 | |
|--------------------|---------------------|-------------|---------------------|-------------|
| | Men (yrs) | Women (yrs) | Men (yrs) | Women (yrs) |
| Exact Age | | | | |
| 60 | 30.6 | 33.8 | 31.1 | 34.6 |
| 65 | 26.0 | 29.1 | 26.5 | 29.9 |

* Illustrative life expectancies for future pensioners as at 31 March 2011 based upon members currently aged 40.

15 Related party transactions

Consumer Focus is a non departmental public body sponsored by BIS. BIS is regarded as a related party, as are other entities it sponsored. Grant-in-aid received in the year amounted to £14,085k (2009/10: £16,804k).

Consumer Focus also received income from the Scottish Government and the Department of Health. (See Note 6 for details).

In addition, Consumer Focus has had dealings throughout the year with other government departments and other central Government bodies, the amounts of which are not material except for payments made to Central Office of Information which amounted to £131,830.

None of the Board members or members of key management employees have undertaken any material transactions with Consumer Focus.

16 Obligations under operating leases

The total minimum lease payment commitments under operating leases for the coming year are:

| | As at 31 March 2011 | | As at 31 March 2010 | |
|--|---------------------|----------------|---------------------|----------------|
| | Property £'000 | Other £'000 | Property £'000 | Other £'000 |
| Not later than one year | 433 | 24 | 1,602 | 28 |
| Later than one year and no later than five years | 610 | 2 | 922 | 24 |
| Later than five years | 0 | 0 | 0 | 0 |
| | 1,043 | 26 | 2,524 | 52 |

| | Property £'000 | Other £'000 |
|------------------------------|-------------------|----------------|
| Payments made during 2010/11 | 116 | 31 |

17 Obligations under finance lease

| | As at 31 March 2011 | As at 31 March 2010 |
|----------------------------|---------------------|---------------------|
| | £'000 | £'000 |
| Less than one year | 0 | 260 |
| Between one and five years | 0 | 0 |
| Due thereafter | 0 | 0 |
| | 0 | 260 |
| Less interest element | 0 | (33) |
| Capital due | 0 | 227 |

Notes to the financial statements

18 Cash flow notes

| | 2010/11 | 2009/10 |
|--|-----------------|-----------------|
| | £'000 | £'000 |
| 18a Cash flows from operating activities | | |
| Net expenditure before tax | (12,388) | (12,807) |
| Adjustments for non cash charges | | |
| Loss on disposal of fixed assets | 148 | 8 |
| Impairment provision | 0 | 54 |
| Depreciation charge | 268 | 304 |
| Actuarial gain on pension provision | 45 | 0 |
| Release of revaluation reserve no longer required | 1 | 0 |
| | <u>(11,926)</u> | <u>(12,441)</u> |
| 18b Cash flows from financing activities | | |
| Grant-in-aid received as per statement in changes of taxpayers' equity | 14,085 | 16,804 |
| Grant-in-aid debtor | 0 | 5,050 |
| Cash flow | <u>14,085</u> | <u>21,854</u> |

19 Capital commitments

There were no commitments for the purchase of non current assets at the year end.

20 Losses and special payments

No losses or special payments were made in the year, which exceed £250k.

21 Financial instruments

Consumer Focus had no borrowings and relied on grant-in-aid from BIS for its cash requirements and was, therefore, not exposed to liquidity risk. It also had no investments and was, therefore, not exposed to interest rate risk. All assets and liabilities are denominated in sterling and, therefore, there is no exposure to currency risk and are stated at fair value.

There were no material differences between the book value and fair value of assets and liabilities at 31 March 2011

22 Contingent liabilities

The Chief Executive accepted a lower salary than he was paid in his previous role. The contract of the Chief Executive includes a clause which, under certain circumstances, would require us to make payments into a pension fund based on the difference between his salary and the earnings cap in the pension scheme, at current rates this equates to about £4k per annum until he reaches retirement age. The maximum potential liability to pensionable age is about £34k. The intention of this arrangement is to put him in a similar pension position had he not joined Consumer Focus at the lower salary.

23 Events after the reporting period

The Accounting Officer authorised these financial statements for issue on the date of certification, there were no events after the reporting period as defined by IAS10.

www.consumerfocus.org.uk

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