



Department for
Business, Energy
& Industrial Strategy

Committee on Fuel Poverty

Tailored Review Report 2019

January 2020



OGL

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Executive Summary

The Committee for Fuel Poverty (CFP) is an advisory non-departmental public body sponsored by the Department for Business, Energy & Industrial Strategy (BEIS). The CFP monitors and reports on progress towards the Government's 2030 fuel poverty target including interim milestones. It supports and challenges the Government on the implementation of its strategy. It also encourages a partnership approach between and within Government and organisations working to reduce fuel poverty. The fuel poverty strategy includes a statutory fuel poverty target for 'as many fuel poor households as reasonably practicable to achieve a minimum energy efficiency rating of a Band C by 2030.'

The CFP's predecessor body, the Fuel Poverty Advisory Group (FPAG), was the subject of a Triennial Review in 2012-2014 when it was a NDPB of the former Department for Energy & Climate Change (DECC). The review findings were published in July 2014.

This Tailored Review has been conducted in accordance with Cabinet Office principles, with an emphasis on:

- Form & functions;
- Improving effectiveness and efficiency, and
- Governance.

The CFP operates in line with the Cabinet Office code of good practice on partnerships between departments and arms-length bodies.

There was consensus that the work of the CFP needs to continue and that the current size and structure were appropriate.

The CFP has a good relationship with its sponsor BEIS. The CFP's role in supporting and challenging the Government may be strengthened by developing relationships at Director and DG level. It is also important to maintain, as far as possible, the regular contact that was established with the then Minister for Energy and Clean Growth at the time of this Review, Claire Perry.

The CFP is known and respected amongst stakeholders. The Review Team would recommend that CFP and BEIS look at how the CFP could develop further, the existing relationships with other Government departments, as well as potentially increasing engagement with local and regional authorities

We would recommend that the CFP looks at obtaining additional analyst resource as it has none of its own, relying instead on that which can be provided by BEIS.

BEIS should consider how it assesses the performance of the CFP. Ultimately, the CFP exists to hold the Government to account against its fuel poverty target. This is a long-term target, and with consideration to the interim milestones BEIS should consider measures for the CFP's work.

There is a need to stagger appointment terms so that they don't all end at the same time. BEIS and the CFP are already working together to address this.

Summary List of Recommendations

The recommendations from the review are collated below.

Recommendation 1: Efficiency and Effectiveness (Resourcing) – Stagger appointment terms so that they do not all end at the same time. BEIS and the committee are already working together to address this.

Milestone: Effective immediately

Recommendation 2: Efficiency and Effectiveness (Resourcing) – BEIS and the CFP should look at the viability of obtaining analyst resource for the committee.

Milestone: January 2020

Recommendation 3: Efficiency and Effectiveness (More effective working) – That CFP and BEIS look at how the CFP could develop further, the existing relationships with other Government departments, as well as potentially increasing engagement with local and regional authorities.

Milestone: January 2020

Recommendation 4: Efficiency and Effectiveness (More effective working) – That regular meetings are set up at Director or Director General level, which include consideration of the performance of the CFP.

Milestone: January 2020

Recommendation 5: Efficiency and Effectiveness (More effective working) – That BEIS continue to secure ministerial time for meetings and discussion with the CFP.

Milestone: January 2020

Recommendation 6: Governance (Conflicts of interest) – CFP to create and maintain a register of interests and a register for gifts and hospitality, including things offered, declined and accepted.

Milestone: January 2020

Introduction

The Committee on Fuel Poverty (CFP) is an advisory Non-Departmental Public Body. The role of the CFP is to:

- monitor and report on progress towards Government's 2030 fuel poverty target and interim milestones;
- support and challenge the Government on its delivery approach to underpin successful implementation of the strategy, including considering and reporting on:
 - the effectiveness and efficiency of policies and schemes which contribute to meeting the milestones and 2030 target;
 - the impact of other policies and schemes on fuel poverty; as well as
 - modifications to existing policies and any additional policies and schemes needed to meet the milestones and 2030 target;
- encourage and foster a partnership approach between and within Government and stakeholders, including at local level, to make progress against the milestones and targets, including the identification of barriers to effective joint working; and
- work where appropriate with the Committee on Climate Change, which has a statutory duty to consider fuel poverty when advising on carbon budgets, to help underpin efforts to ensure that the decarbonisation and fuel poverty agendas work together.

The CFP's remit covers England only (aligning with fuel poverty policy, which is devolved). It reports to BEIS, principally to the Minister responsible for fuel poverty policy (the Minister of State for Business, Energy & Clean Growth). The Chair and members are appointed by the responsible Minister.

The CFP comprises a Chair and up to five members and is currently running at full complement. The Board has a 50:50 gender split. The CFP holds meetings around 8 times per year and publishes the minutes on GOV.UK. Most of the CFP's time is spent meeting stakeholders, developing working positions on policy and otherwise working "offline". The CFP is supported by a secretariat, comprising 0.5 of one full time member of BEIS staff, and has access to BEIS policy officials and analysts to help ensure it is well-briefed and can discuss policy issues. The CFP has access to a BEIS research budget and can use this to fund independent research projects, these are also subject to the BEIS research project approval processes. For the financial year 2017-18, it accessed a total of £60k of funding for a research project out of a budget of £100k. Joint commissions are possible e.g. with the Committee on Climate Change. The CFP has no other funding

Form and Function

The Review Team spoke to CFP members, BEIS officials and other stakeholders (from Energy UK, Citizens Advice and National Energy Action).

The CFP's primary function was considered to be holding the Government to account against its fuel poverty target, which is also a manifesto commitment. It provides an authoritative and

independent voice that understands the wider context and advises the Government on what it should focus on. The CFP also has a function in drawing together different stakeholders. The CFP challenges Government policy, while working with the Government to produce better policy outcomes.

The Review Team found that, within BEIS, staff felt that if the CFP did not exist, there would be nobody to routinely challenge the Government on fuel poverty and no source of expertise in respect of this statutory target. Loss of this focussed group of people would result in a loss of challenge, of expert, independent knowledge and senior engagement. Some of the departmental silos might continue unchallenged, and advice independent of “politics” would not necessarily be supplied.

The team identified that views from outside of BEIS had more mixed responses to this. Some questioned what impact CFP had on Government policy, with one commenting that the CFP’s advice could be easily dismissed. Another suggested that consumer organisations could fulfil the role of the CFP and might be sharper in their approach to Government. There was also a suggestion that the CFP’s remit could be broadened to take account of issues such as cold weather preparedness. Interviewees did acknowledge, however, that it might be too soon to properly judge the impact CFP is having on Government policy.

Other Models

The CFP’s current model was a definite improvement on its previous incarnation, Fuel Poverty Advisory Group (FPAG), which had been perceived as too large and unwieldy. The current (smaller) model was better for strategy building, and the leaner set-up meant it could engage more quickly. Having a Chair from outside the sector was also deemed an advantage.

Replacing the work of the CFP with consultants was considered undesirable. Consultants would follow their brief too narrowly; this would also involve one-off pieces of work with no continuity and ministers being unable to interact when priorities change. The long-term fuel poverty target and the ongoing issue of fuel poverty requires a body with some permanence. It was also felt that use of consultants would be a more expensive option than retaining the existing committee.

It was felt impractical to move the work to local government as the related policy areas were all national in focus. However, one stakeholder wondered whether more engagement at a regional level might be more effective to consider the synergies between the national strategy and work done at a regional level.

Although there are synergies to be made with other organisations, it was felt that none of them has the remit and independence to replace CFP. Indeed, it was generally considered an advantage to have an authoritative voice that was above specific interests.

The UK Exiting the European Union

The general view of interviewees was that exiting the EU would have minimal, if any, impact on the work of CFP. Fuel poverty is a national policy and the policies of other countries have no impact. There was an acknowledgement of the pressures on ministers’ time beyond EU Exit which would mean they had less time to engage with the fuel poverty agenda. Two interviewees felt that exiting the EU would have an impact on the cost of energy with one commenting that this would have a knock-on effect for those on lower incomes.

Devolution

The CFP's remit only covers England (aligning with fuel poverty policy, which is devolved). However, the Committee has liaised with officials in Scotland, Wales and Northern Ireland in a fact-finding capacity.

Although not vital, it was nonetheless felt that there was potential for further learning opportunities (for example, the Scottish Government was felt by a CFP member to be more ambitious). Again, an analyst resource was cited as a means of exploring and developing such opportunities.

Efficiency and Effectiveness

Resourcing

Overall the review has found that the CFP is adequately resourced, and that there is sufficient input to support robust discussions and allow the CFP to focus on delivery. That said, additional resource would be required for the Committee to access all work undertaken on fuel poverty. Suggestions were made that having representation from a fuel poverty specialist, and/or, someone with a community background would be helpful.

A recurring theme was the need for bespoke analytical resource. The CFP does its own analysis and makes use of that of others, but it has no analytical resource of its own. The CFP could explore using some of its £100K research budget to procure dedicated analytical support.

In 2017-18, the CFP's research budget was underspent. Members acknowledged that more time and thought should be focussed on the planning in the early part of the year. For this reason, the CFP might consider commissioning at the beginning of the year to minimise unspent budgets within the annual cycle. The CFP might also benefit from having a work plan for the year which was tied to spend. The CFP was alert to the fact that this is public money.

There was a marked increase in workloads around the production of the annual report. BEIS had suggested doing more of the drafting work to release some of the secretariat's resource. It was also suggested that upcoming appointments should be staggered to reduce pressures on resourcing.

Recommendation 1: Efficiency and Effectiveness (Resourcing) – Stagger appointment terms so that they do not all end at the same time. BEIS and the committee are already working together to address this.

Milestone: Effective immediately

Recommendation 2: Efficiency and Effectiveness (Resourcing) – BEIS and the CFP to look at the viability of obtaining analyst resource for the Committee.

Milestone: January 2020

More effective working

There is potential for synergies with other bodies sharing similar goals, such as the Committee on Climate Change, National Infrastructure Commission, Citizens Advice, and the regional mayors. Potential collaboration with other government departments were also cited, including Department for Work and Pensions, Department for Health and Social Care, Department for Education, and Ministry for Housing, Communities and Local Government. The interviewees acknowledged the limit of the committee's resources and the need to prioritise. Committee members who have existing relationships with some organisations keep stakeholders actively

engaged through these informal channels. This review recommends that work is undertaken to identify and assess engagement opportunities to support the CFP's work.

An important part of the CFP's work is to understand the wider context and environment of fuel poverty. The addition of an independent, analytical resource would strengthen the CFP's ability to challenge BEIS.

Recommendation 3: Efficiency and Effectiveness (More effective working) –That CFP and BEIS look at how the CFP could develop further, the existing relationships with other Government departments, as well as potentially increasing engagement with local and regional authorities.

Milestone: January 2020

Measuring Success

The fuel poverty strategy includes a statutory fuel poverty target for 'as many fuel poor households as reasonably practicable to achieve a minimum energy efficiency rating of a Band C by 2030.' It also has two interim milestones of Band E by 2020 and Band D by 2025. This phased approach follows the principle of prioritising assistance to those in the deepest levels of fuel poverty. The CFP uses data from when the strategy was published as the baseline. There is a two-year delay on fuel poverty statistics.

The review found differing opinions as to how to measure success. As an advisory body, success could be measured in terms of how the Government responded to recommendations, or whether BEIS policy decisions had been influenced by the CFP. Another success indicator was measuring progress in achieving the 2030 fuel poverty target and its position in relation to the strategy baseline.

The review found that there were differing views as to the CFP's success to date. There was a perception that it is too early to measure success. Some interviewees reported that the CFP's recommendations had not been followed. Tracking progress against the recommendations began in January 2019. There was a lack of awareness about the recommendations being tracked which possibly led to a reference that CFP is not getting as much traction as it could, and so is not able to move the direction of Government as it sees appropriate.

During 2019, as the CFP has settled in, and a new project management role has been undertaken by the Secretariat, CFP are now better placed to monitor progress of their 2018 recommendations. It was also mentioned that the CFP's advice wasn't always listened to for reasons that were outside of BEIS's control.

The policy team operates its own system for monitoring the performance of the CFP. This includes a regularly updated project plan against recommendations from the 2018 CFP Annual Report.

The Chair carries out annual performance appraisals with the individual CFP members. The Chair is appraised by the lead BEIS Director (Ben Golding) or Deputy Director (Olivia Haslam).

The Decision-Making Process

It was generally acknowledged that CFP meetings are respectful and professional, with no one person dominating the discussion. David Blakemore is seen as a conscientious Chair who sets clear agendas and is focussed on deliverables. He makes sure that everyone has their say and no-one dominates the conversation, resulting in healthy debate, discussions and next steps. The CFP always tries to reach consensus in discussion. When this is not possible, they will agree on a majority decision.

Work is shared around committee members, and the Chair has introduced workstreams, whose outcomes are reflected on the project plan for the 2018 recommendations. This arrangement works well with committee members working on individual work streams but supporting one another. Occasionally, there are delays outside of their control.

Relationship with BEIS

Through the course of the review there has been positive evidence about the CFP's relationship with BEIS. The CFP is on good terms with the BEIS secretariat. The Chair often attends BEIS meetings and the BEIS sponsor (Grade 6) attends all CFP meetings. Resourcing from the department was highly praised and officials in the Fuel Poverty policy team sometimes help by bringing in colleagues from other policy areas. BEIS analysts also try to accommodate the CFP's requests, although this is not always possible. Two interviewees did express a wish for more interaction with senior officials in BEIS.

Recommendation 4: Efficiency and Effectiveness (More effective working) – *That regular meetings are set up at Director or Director General level, which include consideration of the performance of the CFP.*

Milestone: January 2020

Relationship with Ministers

A recurring theme throughout the review was the need for greater access to Ministers. The broad portfolio of BEIS Ministers has meant that the committee has not had as much ministerial time as they would have liked. There was also a sense of a lack of clarity about whether the CFP had helped Ministers. However, there was also a recognition that accessing Ministers is challenging, particularly as the portfolio of BEIS is so wide. The review team identified that this situation has improved, with meetings with the Minister in October 2017, July 2018 and November 2018, and will seek to schedule further meetings.

Recommendation 5: Efficiency and Effectiveness (More effective working) – *That BEIS continue to secure ministerial time for meetings and discussion with the CFP.*

Milestone: January 2020

Relationship with Stakeholders

One of the roles of the CFP is to encourage and foster a partnership approach between Government and stakeholders, identifying barriers to effective joint working.

The CFP engages stakeholders via several channels. Often members attend conferences, seminars and workshops and do so in a learning and listening mode, and at other times they may present. Some interviewees commented on the CFP member's individual approaches to managing stakeholders informally, often based on connections between individual CFP members and an organisation. There is a feeling that this happens due to the time constraints and resources of the CFP, although no concerns about this approach have been raised. Citizens Advice were singled out as an organisation that the CFP should build a formal relationship with. Interaction with more stakeholders who have interests in energy and fuel poverty would help the committee's work, but the CFP acknowledges their need to prioritise resource to maintain delivery confidence.

Its contribution to the BEIS Select Committee on Energy Efficiency earlier this year used up almost two days for the Chair with preparatory meeting and a pre-briefing with the Select Committee to introduce them to fuel poverty and the key challenges. This meant the CFP supported the Committee in understanding the issues in preparation for their main sessions.

Corporate Governance

This review assessed CFP's adherence to principles of good corporate governance. It looked at how CFP is held to account for delivery of its objectives and against the requirements of any arm's length body, as well as the governance of decision-making.

An assessment of Corporate Governance is given on page 21.

Governance Processes

The CFP and BEIS operate an open, honest and constructive working relationship. The four principles of partnerships between departments and arms-length-bodies are adhered. These are purpose, assurance, value and engagement. The purpose, objectives and roles are mutually understood. The assurance is proportionate to the CFP's size and role as an advisory non-departmental public body. This review is part of the assurance cycle for public bodies and has input from external stakeholders and Cabinet Office will have a chance to contribute. The value added to policy making and departmental bodies could possibly be strengthened in a number of ways. Increased access to the Minister and senior officials is one potential method that is already a recommendation of this review. A further way to understand any value added would be through measuring how the Government and policy reacts to recommendations from the CFP. Engagement between BEIS and the CFP seems to be positive, with the only challenge (already mentioned) as frequency of Ministerial and senior staff engagement. The Review has found examples of pro-active engagement of teams from BEIS beyond the policy sponsorship team.

The CFP's pages on GOV.UK include an updated Framework Document, terms of reference, board meeting minutes, as well as its commissioned research reports, and responses to stakeholder consultations. Appointments are regulated by the Commissioner for Public Appointments. The CFP produces an annual report which provides an update on progress against the fuel poverty target and recommendations for future action. The annual report does not provide information on the governance arrangements of the CFP. Members of the policy sponsorship team staff have regular interaction with the CFP, including as regular observers at meetings. The policy team also maintain a risk register and the CFP maintains a risk management strategy in accordance with the Treasury guidance, Management of Risk: Principles and Concepts. This is also in line with the relevant aspects of best practice in corporate governance.

Members are subject to annual appraisal by the Chair who, in turn, is subject to appraisal by the lead policy sponsor with authority delegated from the Secretary of State.

Conflicts of Interest and Transparency

Conflicts of interest are managed through the terms of appointment and at the beginning of every meeting. Members are asked to declare any interests relating to agenda items, and any such conflicts or possible conflict are noted in the minutes, which are then published on the [CFP webpage](#) on GOV.UK. There have been no issues arising out of conflicts of interests. Interviewees acknowledged the professionalism of committee members; in meetings they speak freely as members of the committee and do not allow outside agendas to influence what

they say. The review will recommend that the Secretariat maintains on behalf of the CFP a register of interests (business or personal) that could be perceived to influence judgement and functions. Each committee member should submit details to the register on appointment, it can then be maintained if there are any changes.

BEIS manages the budget of the committee. CFP's expenditure on travel and subsistence is published anonymously within BEIS's monthly spend data as part of the government's transparency agenda. The CFP's salary is not currently published. These are paid through BEIS payroll.

Recommendation 6: Governance (Conflicts of interest) – CFP to create and maintain a register of interests and a register for gifts and hospitality, including things offered, declined and accepted.

Milestone: January 2020

Annex A: Tailored Review 2018 Terms of Reference

The Committee on Fuel Poverty (CFP) is an advisory Non-Departmental Public Body. The Committee's remit covers England only (aligning with fuel poverty policy, which is devolved). It reports to BEIS, principally to the Minister responsible for fuel poverty policy (the Minister of State for Energy & Clean Growth). The Chair and members are appointed by the responsible Minister.

- monitor and report on progress towards the Government's 2030 fuel poverty target and the interim milestones;
- support and challenge the Government on its delivery approach to underpin successful implementation of the strategy, including considering and reporting on:
 - the effectiveness and efficiency of policies and schemes which contribute to meeting the milestones and 2030 target;
 - the impact of other policies and schemes on fuel poverty; as well as
 - modifications to existing policies and any additional policies and schemes needed to meet the milestones and 2030 target;
- encourage and foster a partnership approach between and within Government and stakeholders, including at local level, to make progress against the milestones and targets, including the identification of barriers to effective joint working; and
- work where appropriate with the Committee on Climate Change, which has a statutory duty to consider fuel poverty when advising on carbon budgets, to help underpin efforts to ensure that the decarbonisation and fuel poverty agendas work together.

Previous Reviews

The CFP's predecessor body, the Fuel Poverty Advisory Group (FPAG), was the subject of a Triennial Review in 2012-2014 when it was a NDPB of the former Department for Energy & Climate Change (DECC). The review examined whether: the function of the NDPB were still needed, an NDPB model was most appropriate for the Group's aims, and the governance arrangements. The review did not consider how to improve the effectiveness or efficiency of the Group. Given the budget of the CFP (£150,000 including research, salary and travel and subsistence costs), potential efficiency savings are likely to be negligible. This Tailored Review will consider ways to improve the effectiveness of the CFP.

When the Triennial Review's findings were published in July 2014, FPAG's membership comprised varying representatives of eighteen stakeholder organisations. A key recommendation of the review was to move to a body with fully independent members, divesting affiliation with any organisation. This recommendation has been fully implemented. A further notable recommendation was to review the name of FPAG, this recommendation has been fully implemented with the new CFP.

The Triennial Review made 15 recommendations to improve the Group. An internal review found that 8 recommendations had been completed. Three recommendations were partly met, where they have met much of the spirit of the recommendation, but not in the exact manner specified by the recommendations. Since the internal review two further recommendations have been completed or underway and two have not been fully met. These were as follows:

1. CFP should take opportunities to bolster its analytical support, met by BEIS, with clear lines to protect independence.
2. The BEIS Departmental Board should commit to annually considering the CFP's governance and performance

This has not been addressed.

Review Priorities

This Tailored Review will be conducted in line with Cabinet Office principles and as a light touch review being proportionate, timely, challenging, inclusive, transparent and providing value for money. Considering these principles, the CFP review will have specific emphasis on:

- **Form and function.** The review should consider the need of the CFP to deliver this function and in the current form and alternative delivery models.
- **Effectiveness and efficiency.** The review should consider issues of effectiveness and recommend opportunities for improvement as appropriate. It should consider the effectiveness of the body in meeting its objectives, how this is measured, and how the CFP engages with its key stakeholders and BEIS. These key relationships should be reviewed to see if they could impact on the CFP's ability to deliver on the 2030 target. The review should consider issues of resourcing and performance. Tailored Reviews should be proportionate; the CFP is an organisation with limited staff and budget and major savings are implausible, but the review should continue to seek efficiencies where possible.
- **Governance.** Good corporate governance is central to the effective operation of organisations. The review will cover the governance arrangements for CFP. The controls, processes and safeguards in place will be assessed against the relevant principles and policies set out in the code of good corporate governance which reflects best practice in the public and private sectors. This will include review of the lines of accountability, performance of the governance structures and key roles within them, and associated controls and/or oversight and the associated links between the CFP and BEIS. The Review will also assess the relationship between CFP and BEIS against the principles set out in "Partnerships between departments and arm's length bodies: Code of Good Practice", published by the Cabinet Office

The review will also consider the CFP's transparency and diversity. The panel is currently made up of 3 men and 3 women. A gender gap in pay exists in the sense that the current Chair (male) has a higher pay rate than Members, which is standard for small bodies like the CFP. The Chair also works a greater number of days. In assessing the potential for efficiencies, the review will principally consider the following types of potential benefits:

- Efficiencies or improvements in performance outcomes; and

- Wider benefits such as improved governance; transparency; accountability; or staff engagement.

In making these assessments the Review will consider (for example) how CFP:

- Delivers of its current functions and responsibilities
- Prioritises and makes decisions
- Communicates internally and externally
- Manages its reputation and promotes its work
- Works with BEIS, and with other bodies

To ensure a holistic approach, the review team will also consider the remaining principles of the tailored review principles. These are:

- **Devolution.** Whilst recognising that CFP's remit covers England only, understanding the remit and reach of the body, links with stakeholders within each of the devolved territories as well as within England should be a fundamental part of scoping the review.
- **The UK leaving the EU.** It is appropriate to consider the extent to which the CFP's functions are delivered in an environment currently directly affected by EU regulations or processes. Understanding how the body intends to respond to the UK leaving the EU should then be considered as part of the review, where possible. In considering this, it is recognised that to date the CFP's and its Policy Sponsors' view is that the impact of EU Exit on the organisation is likely to be minimal.

The review will conclude by producing a clear and concise report that will describe the areas probed by the review, the evidence referred to during the course of the review, and also any recommendations. A final report will be published on GOV.UK.

Approach and methodology

The review is conducted on behalf of the Secretary of State. A small, dedicated review team will be the day-to-day contacts for CFP and will produce the final report. The review team will be led by an individual independent of the body and sponsor function.

The review team will be:

- Reviewer – Jeremy Cousins, BEIS Energy Development and Resilience
- Reviewer – Bill McDermott, BEIS Partnerships Team
- Reviewer – Kamil Faltynowski, BEIS Partnerships Team
- Author of report – Bill McDermott / Ruth Collins BEIS Partnerships Team
- Critical Friend – Lara Phillips

The approach will be participative, inclusive and proportionate. Although Cabinet Office guidance does not allow organisations being reviewed, or their sponsors, to be members of the review team itself, they will be closely involved as the review progresses:

- The review team will agree Terms of Reference with the Chair, David Blakemore, and its Departmental sponsors – and then with Cabinet Office Public Bodies Reform Team;
- The review will agree approach and timings with the CFP and sponsor team;
- Following this the review team will work with the CFP to set up interviews and ensure it understands the evidence base;
- The approach will be iterative, and the review team will share emerging findings and recommendations with CFP and its sponsors throughout; and
- Interim and final reports will be produced in draft and then finalised following discussion with the CFP and sponsors.

The team will be supported by a Tailored Review programme governance structure within BEIS to ensure consistency and transparency throughout the process (Annex 1). As a Cabinet Office defined Tier 3 review, the CFP Review will not be subject to a formal Challenge Panel. The report may be subject to a random audit by the Public Bodies Reform Team, Cabinet Office.

The end-to-end review is anticipated to take from July 2018 – December 2018 (from confirming the review scope to the report being completed).

BEIS Tailored Review Programme: Governance

Tailored Reviews are designed to be proportionate and capable of being delivered at pace. The Cabinet Office has set a “Three Tier” approach to Reviews. The Tier to which an Organisation has been allocated will to an extent determine the conduct and the Governance of the Review.

Based on Cabinet Office criteria, including spend, size and length of time since last Triennial Review, CFP has been designated as a Tier 3 Review.

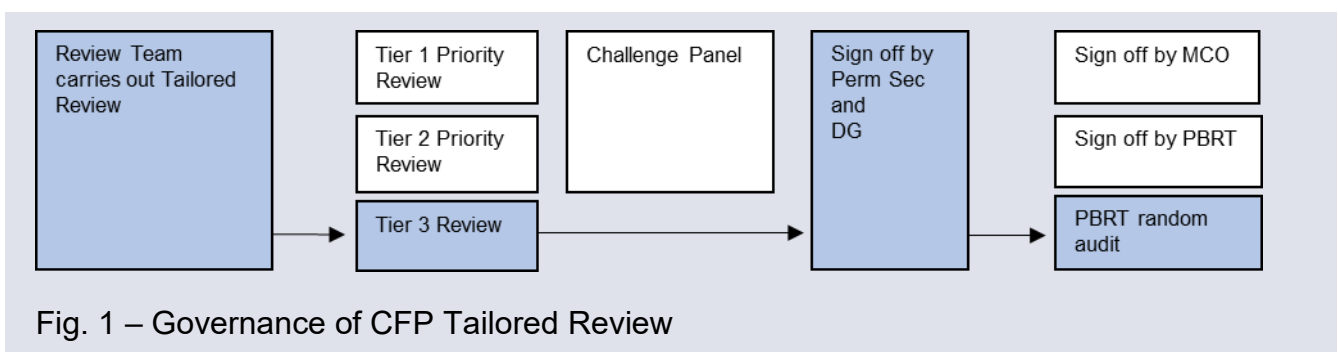


Fig. 1 – Governance of CFP Tailored Review

Once agreed, the final report will be cleared by DG and the Permanent Secretary. It may then be subject to a random audit by the Public Bodies Team (PBT) in Cabinet Office.

Annex B: List of interviewees

Former CFP Secretariat, BEIS

Deputy Director, BEIS

Head of Fuel Poverty, Each Home Counts and Operations, BEIS

BEIS analyst

Member, Committee on Fuel Poverty

Chair, Committee on Fuel Poverty

Member, Committee on Fuel Poverty and Energy UK CEO

CEO, National Energy Action and former member of Fuel Poverty Advisory Group

Senior Policy Researcher, Citizens Advice

Head of Retail Policy, Energy UK

Annex C: Principles of Corporate Governance Checklist

Principles of corporate governance	Assessment	Explain
Accountability		
Statutory Accountability: The public body complies with all statutory and administrative requirements on the use of public funds (inc HMT Managing Public Money, and CO/HMT spending controls).	Compliant	CFP is a central government body and a BEIS Partner Organisation. As such, it is subject to all statutory and administrative controls.
The public body operates within the limits of its statutory authority and in accordance with delegated authorities agreed with BEIS.	Compliant	The CFP has no statutory basis. The Chairman is responsible for reporting and governance.
The public body operates in line with statutory requirements for the Freedom of Information Act (Fol).	Compliant	Yes, any FOI request are and have been processed accordingly.
The public body has a comprehensive publication scheme.	Compliant	CFP is committed to publishing corporate information and its web pages on Gov.Uk contains its Annual Reports, minutes of meetings and responses to consultations and its commissioned research reports. https://www.gov.uk/government/organisations/committee-on-fuel-poverty
The public body proactively releases information that is of legitimate public interest.	Compliant	CFP publishes its response to relevant consultations, and outcomes of its commissioned research on its web pages on Gov.Uk https://www.gov.uk/government/organisations/committee-on-fuel-poverty

Principles of corporate governance	Assessment	Explain
The public body Produces Annual Reports and Accounts which are laid before Parliament.	Compliant	CFP publishes its Annual Report on its web pages on Gov.Uk https://www.gov.uk/government/organisations/committee-on-fuel-poverty CFP costs are included within core BEIS expenditure in the BEIS Annual Report and Account.
The public body applies with data protection legislation.	Compliant	CFP is subject to GDPR - and complies with GDPR requirements. As a BEIS NDPB all data is held by BEIS systems.
The public body complies with Public Records Acts 1958 and 1967.	Compliant	CFP is subject to BEIS records management process.
Accountability for public money: there is a formally designated Accounting Officer (AO) who in particular has a responsibility to provide evidence-based assurances required by the Principal Accounting Officer (PAO).	Compliant	The CFP has no budget or responsibility for spending public money, it also has no designated Accounting Officer. The AO is the BEIS Permanent Secretary, the requirements of AO are understood.
The role, responsibilities and accountability of the AO should be clearly defined and understood, and the AO should have received appropriate training.	Compliant	The requirements of AO are understood.
The public body should be compliant with requirements set out in Managing Public Money, relevant Dear Accounting Officer letters and other directions.	Not applicable	CFP Secretariat is part of BEIS Core Department and is part of the Fuel Poverty Team. The senior BEIS Fuel Poverty Sponsor is responsible for oversight of the CFP and its compliance with MPM. As such the BEIS Permanent Secretary is the AO.

Principles of corporate governance	Assessment	Explain
<p>The public body should establish appropriate arrangements to ensure that public funds:</p> <ul style="list-style-type: none"> are properly safeguarded; are used economically, efficiently and effectively; are used in accordance with the statutory or other authorities that govern their use; deliver value for money for the Exchequer as a whole; are subject to Treasury approval, either directly or through established delegated authority. 	Not applicable	<p>The CFP has no separate budget or responsibility for spending public money, it also has no designated Accounting Officer. The AO is the BEIS Permanent Secretary, the requirements of AO are understood.</p> <p>The senior BEIS Fuel Poverty Sponsor is responsible for oversight of the CFP and its public funding arrangements. There is a small admin budget for travel and subsistence for committee members, this was approved as part of a settlement from HMT.</p>
<p>The annual accounts are laid before Parliament after certification by the Comptroller and Auditor General.</p>	Not applicable	<p>CFP costs are included within core BEIS expenditure in the BEIS Annual Report and Account.</p>
<p>Ministerial Accountability: The Secretary of State (SoS) and Sponsor should exercise appropriate scrutiny and oversight of the public body.</p>	Compliant	<p>SoS delegates oversight to a minister. The responsible minister will meet the Chairman or the full CFP at least once a year.</p> <p>Lead policy sponsor (DD, Home & Local Energy Directorate) will meet and review performance annually.</p>
<p>Appointments to the committee should be made in line with any statutory requirements and, where appropriate, with the Code of Practice issued by OCPA.</p>	Compliant	<p>Appointments to the CFP are made in line with the Code of Practice issued by OCPA.</p>
<p>The Secretary of State will normally appoint the Chair and all non-executive committee members of the public body and be able to remove individuals whose performance or conduct is unsatisfactory.</p>	Compliant	<p>The SoS appoints of the CFP Chair. The SoS role in consulting with the Chair regarding the appointment of Members is delegated to the responsible Minister.</p>

Principles of corporate governance	Assessment	Explain
The Secretary of State should be consulted on the appointment of the Chief Executive and will normally approve the terms and conditions of employment.	Not applicable	CFP does is not an executive body and does not have a Chief Executive.
The Secretary of State should meet the Chair and/or Chief Executive on a regular basis.	Compliant	CFP looks forward to further engagement with SoS. The Minister Claire Perry has met with the Chair and the Committee on a number of occasions regular basis – (previously in November and October 2018).
Parliament should be informed of the activities of the public body through publication of an annual report.	Compliant	CFP submits its annual report to the BEIS SoS and BEIS Select Committee.
A range of appropriate controls and safeguards should be in place to ensure that the Secretary of State is consulted on key issues and can be properly held to account (e.g. Business Plan, power to require information, a general or specific power of Ministerial direction over the public body, a power for the Secretary of State to be consulted on key financial decisions.)	Not applicable	<p>The CFP is an advisory body, the remit is drawn from the government’s fuel poverty strategy published in 2015.</p> <p>The CFP has a work plan, terms of reference and Framework Document.</p>
Roles and Responsibilities		
Role of the Sponsoring Group: The Group should scrutinise the performance of the public body. There should be appropriate systems and processes to ensure effective governance, risk management and internal control in the public body.	Compliant	<p>The DD completes the assessment and performance review for the Chair. The G6 is in regular contact with the Chair and Members as appropriate. Both sponsor and secretariat attend the CFP bi-monthly meetings which are held at BEIS. Secretariat has weekly Kits with the Chair, and ad-hoc kits with other members. Secretariat also attend key stakeholder meetings.</p> <p>The CFP mailbox is used by all members and sponsorship team to share and exchange information.</p>

Principles of corporate governance	Assessment	Explain
<p>There should be a Framework Document in place which sets out clearly the aims, objectives and functions of the public body and the respective roles and responsibilities of the Secretary of State, the Sponsoring Group and the public body. It should be regularly reviewed and updated and follow relevant CO and HMT guidance.</p>	<p>Compliant</p>	<p>The CFP Framework Document is reviewed annually, the latest document was published on 4 June 2019.</p> <p>This latest version will be reviewed annually and at any other time should this become necessary.</p> <p>CFP has no budget delegations and therefore no Financial Memorandum.</p>
<p>A Sponsor should be identified and there should be regular and on-going dialogue between the Sponsoring Group and the public body. Senior officials from the Sponsoring Group may as appropriate attend committee and/or committee meetings.</p>	<p>Compliant</p>	<p>CFP is supported by a Secretariat within BEIS and the sponsorship team has regular interaction with the CFP, including as regular observers at meetings.</p>
<p>Role of the Committee: The Committee of the public body should meet regularly, retain effective control over the body, and monitor the SMT, holding the CEO accountable for the performance and management of the public body.</p>	<p>Compliant</p>	<p>CFP is a small committee of 6 Members. The governance of CFP is managed by the Secretariat team within BEIS, and the G6 sponsorship lead and where appropriate the DD is engaged. The sponsorship team works closely with the Chair, who leads the other 5 members in delivery of their goals, such as the annual report – which is monitored by a project plan of the all the recommendations arising from the CFP’s annual report.</p> <p>The Chair assigns responsibilities for key priority areas to members whose expertise and experiences best match the selected recommendations. Monitoring is via a traffic light system, with each member reporting progress against area(s) where they hold responsibility at each CFP meeting. BEIS has sight of all the documentations showing progress against milestones, and the secretariat administers these processes.</p>

Principles of corporate governance	Assessment	Explain
The committee of the public body should be appropriate in size with membership from a diverse background.	Compliant	The CFP consists of 1 Chair and 5 members. The gender split is 3 men and 3 women. Also included is a BAME member.
The Committee of the public body should establish a framework of strategic control specifying what matters are reserved for the board and establish arrangements to ensure it has access to relevant information, advice and recourses to carry out its role effectively.	Compliant	The Framework Agreement signed off by both CFP and BEIS, details the CFP's remit and its resources such as BEIS support via secretariat, Gov.UK CFP webpages, aims and responsibilities of each party.
The Committee of the public body should establish formal procedural and financial regulations to govern the conduct of its business.	Compliant	The CFP Secretariat based in BEIS has overall responsibility for the committee's finance and budget, with oversight from the Chair. The Secretariat also ensures correct finance procedures are followed. Authorisations of all expenses claimed by CFP members for travel and subsistence are authorised by the G6 sponsorship lead.
The Committee of the public body should make a senior executive responsible for ensuring appropriate advice is given on financial matters, procedures are followed, and that all applicable statutes and regulations and other relevant statements of best practice are complied with.	Compliant	The day rate is agreed by BEIS, the CFP does not decide on levels of remuneration. The Committee Members' remuneration is included with the T&Cs. The claim form is the standard BEIS form for claiming non-taxable travel and subsistence expenses.
The Committee of the public body should establish a remuneration committee to make recommendations on the remuneration of top executives. Information on senior salaries should be published. The committee should ensure that rules for recruitment and management of staff provide for appointment and advancement on merit.	Compliant	CFP is an Advisory Non-Departmental Public Body and as such does not have an Executive Committee.

Principles of corporate governance	Assessment	Explain
The Committee of the public body should evaluate annually, including an evaluation of the chair and committee members.	Compliant	The CFP publishes an annual report which provides an update on the year's progress and makes several recommendations on what needs to be done to ensure that the government's fuel poverty target and milestones can be met. The Chair has an annual appraisal with the Lead policy sponsor, and then Chair appraises the board members.
Role of the Chair: The Committee should be led by a non-executive Chair, whose duties, roles and responsibilities, terms of office and remuneration should be set out clearly and formally defined in writing. Terms and conditions must be in line with CO guidance and any statutory requirement.	Compliant	<p>The Chair, along with the five members, is responsible for advising on the effectiveness of policies aimed at reducing fuel poverty and encourage greater co-ordination across the organisations working to reduce fuel poverty.</p> <p>This is stated in the appointment letter and associated Terms and Conditions.</p>
There should be a formal, rigorous and transparent process for the appointment of the Chair, which is compliant with the Code of Practice issued by OCPA. The Chair should have a role in the appointment of non-executives.	Compliant	The recruitment of the Chair follows the Code of Practice issued by OCPA. The Chair is usually involved in the recruitment of members.

Principles of corporate governance	Assessment	Explain
<p>The responsibilities of the Chair can include:</p> <ul style="list-style-type: none"> • representing the public body in discussions with the Secretary of State. • advising the Sponsor Group/the Secretary of State about committee appointments and performance of non-executive members. • ensuring non-executives understand their responsibilities; are trained appropriately and undergo annual assessments. • ensure the committee takes account of guidance provided by the Secretary of State; carries out its business efficiently and effectively, has its views represented to the public. • develops effective working relationships with the CEO (role of Chair and CEO must be held by different individuals.) subject to an annual appraisal by the Permanent Secretary or relevant Director General. • appraises other committee members ensuring they are performing to standard, following disciplinary procedures if necessary and ensuring they are committing the appropriate time to the work. 	<p>Compliant</p>	<p>The roles and responsibilities are set out in the Terms of Reference and in the Terms and Conditions.</p>

Principles of corporate governance	Assessment	Explain
<p>Role of the Chief Executive Officer (CEO): the public body should be led by a CEO, whose duties, roles and responsibilities, terms of office and remuneration should be set out clearly and formally defined in writing. Terms and conditions must be in line with CO guidance and any statutory requirement.</p>	<p>Not applicable</p>	<p>There is no CEO.</p>
<p>There should be a formal, rigorous and transparent process for the appointment of the CEO.</p>	<p>Not applicable</p>	<p>There is no CEO.</p>
<p>The responsibilities of the CEO can include the responsibilities of the Accounting Officer, which involve:</p> <ul style="list-style-type: none"> • overall responsibility for the public body's performance, accounting for any disbursements of grant to the public body. • establish the public body's corporate and business plans and departmental targets. • Management of senior staff within the public body ensuring they are meeting objectives and following disciplinary procedures if necessary • maintains accounting records that provide the necessary information for the consolidation if applicable. 	<p>Not applicable</p>	<p>Funds to CFP are managed within the Secretariat as a BEIS budget with oversight from the Chair.</p>

Principles of corporate governance	Assessment	Explain
Role of the Non-Executive Committee Members: Non-executive members should form the majority of the committee.	Compliant	CFP is an Advisory Non-Departmental Public Body and as such does not have an Executive Committee.
Non-executive members should be appointed under a formal, rigorous and transparent process compliant with the code of practice issued by OCPA.	Compliant	Appointments to the CFP are made in line with the Code of Practice issued by OCPA.
Non-executive members should have their duties, roles and responsibilities, terms of office and remuneration set out clearly and formally defined in writing. Their terms and conditions must be in line with CO guidance and any statutory requirement.	Compliant	Any roles and responsibilities are set out in appointment letters and terms and conditions, and in broader terms in the job descriptions outlines in recruitment campaigns.
Non-executive members should be independent of management.	Not applicable	
Non-executive members should allocate sufficient time to the committee with details of their attendance published.	Compliant	Members commit to a specific number of days per annum, this commitment works out as 2 –3 days per month. CFP meets bi-monthly and all meeting minutes are published on GOV.uk and include attendees.
Non-executive members should undergo proper induction, and appraisals.	Compliant	The Chair is responsible for the performance of members.

Principles of corporate governance	Assessment	Explain
<p>Non-executive members' responsibilities include:</p> <ul style="list-style-type: none"> • establishing strategic direction of the public body and oversee development and implementation of strategies, plans, priorities and performance/financial targets. • ensuring the public body complies with statutory and administrative requirements on the use of public funds and operates within its statutory and delegated authority • that high standards of corporate governance are observed. 	Compliant	The duties of members are outlined in the terms and conditions.
Effective Financial Management		
Publish on time an objective, balanced and understandable annual report which complies with Treasury guidance, and includes an Annual Governance Statement.	Compliant	The CFP publish an Annual Report of their work but are not required to provide a Governance Statement. CFP does not hold a budget – funding is held by BEIS, including travel & subsistence.
Comply with NAO requirements relating to the production and certification of their annual accounts.	Not applicable	The budget is managed by the CFP Secretariat in BEIS, so would follow the BEIS auditing processes.
Have effective systems of risk management as part of their systems of internal control.	Compliant	CFP has a risk register this is for the policy only and not for finance, as they do not have a finance budget. All funding is held by BEIS.
Ensure an effective internal audit function is established which operates to Government Internal Audit Standards in accordance with CO guidance.	Compliant	CFP will be included within any BEIS audit process.

Principles of corporate governance	Assessment	Explain
Have appropriate financial delegations in place understood by all relevant staff and stakeholders. Effective systems must be in place to ensure compliance with these delegations and the systems are regularly reviewed.	Compliant	This is used for CFP research and follows BEIS procurement and delegation processes.
Have anti-fraud and anti-corruption measures in place, and clear published rules governing claiming of expenses, with systems in place to ensure compliance. Information on expenses claimed by committee members and senior staff should be published.	Compliant	CFP members claim reimbursement of expenses using BEIS forms and HR Payroll advice and guidance process. The CFP's expenditure of travel and subsistence is published anonymously within BEIS's monthly spend data as part of the government's transparency agenda.
Establish an audit (or audit and risk) committee with responsibility for independent review of the systems of internal control and external audit process.	Not applicable	The budget is managed by the CFP Secretariat in BEIS, so would follow the BEIS auditing processes.
Take steps to ensure objective and professional relationship is maintained with external auditors.	Not applicable	The relationship is managed through BEIS.
Comply with BEIS guidance with regard to any department restrictions on spending.	Compliant	CFP members claim reimbursement of expenses using BEIS forms and HR Payroll advice, policy and guidance process and systems. The process is managed via the Sponsor Team.
Report to Corporate Finance with management accounts and Grant in Aid authorities.	Not applicable	Finances are managed via BEIS. Final receipts are sent to BEIS Sponsor Team for onward processing with finance.
Communication and Engagement		
The public body should establish clear and effective channels of communication with stakeholders.	Compliant	A good number of stakeholder engagement discussions are held and continue to be planned through the year. CFP Annual Report 2018 contains a list of all stakeholder engagement and responses.

Principles of corporate governance	Assessment	Explain
The public body should make an explicit commitment to openness in all activities. Engage and consult with public on issues of public interest or concern and publish details of senior staff and committee members with contact details.	Compliant	CFP is committed to publishing corporate information and its web pages contain its Annual Reports, minutes of meetings and responses to consultations, as well as outcomes of all commissioned research.
The public body should hold open committee meetings or an annual open meeting.	Not applicable	Open CFP meetings are not in their terms of reference, as it is a small advisory body. It does invite a wide range of stakeholders to attend meetings to share knowledge and debate specific topics. All minutes and Annual Reports are published on Gov.uk
The public body should proactively publish agendas, minutes of committee meetings and performance data.	Compliant	CFP publishes corporate information on its web pages on Gov.Uk containing its Annual Reports, minutes of meetings, its research reports, and responses to consultations.
The public body should establish and publish effective correspondence handling and complaint procedures, and make it simple for members of the public to contact them/make complaints. Complaints should be investigated thoroughly and be subject to investigation by the Parliamentary Ombudsman. Performance in handling correspondence should be monitored and reported on.	Compliant	CFP does not publish a formal complaint process, but its contact information is available on its web pages on Gov.UK and also has a CFP mailbox which the CFP Secretariat maintains. This is located on BEIS servers. Email: cfp@beis.gov.uk https://www.gov.uk/government/organisations/committee-on-fuel-poverty

Principles of corporate governance	Assessment	Explain
<p>The public body should comply with any Government restrictions on publicity and advertising, with appropriate rules in place to limit use of marketing and PR consultants. Have robust and effective systems in place to ensure the public body is not engaged in political lobbying, includes restriction on committee members attending Party Conferences in a professional capacity.</p>	Compliant	<p>CFP does not have a publicity or communications budget or activities. At the bi-monthly meetings, members are requested to notify the Chair of any conflict of interests for meetings they may be attending, including the at the start of the regular CFP meetings. Declaration of political interests is also included with the terms and conditions of appointment.</p>
<p>The public body should engage the Sponsor Group appropriately especially in instances where events may have reputational implications on the department.</p>	Compliant	<p>The Sponsor Team liaises with the relevant BEIS policy teams and the Chair to consider any sensitivity and how best to proceed.</p>
Conduct and Propriety		
<p>A Code of Conduct must be in place setting out the standards of personal and professional behaviour and propriety expected of all committee members which follows the CO Code and form part of the terms and conditions of appointment.</p>	Compliant	<p>Included in terms of appointment. CFP members agree to a code of conduct and the Seven Principles of Public life when joining.</p>
<p>The public body has adopted a Code of Conduct for staff based on the CO model Code and form part of the terms and conditions of employment.</p>	Compliant	<p>Included in terms of appointment. Committee members agree to a code of conduct and the Seven Principles of Public life when joining.</p>
<p>There are clear rules and procedures in place for managing conflicts of interest. There is a publicly available Register of Interests for committee members and senior staff which is regularly updated.</p>	Compliant	<p>There is a conflict of interest clause in the terms and conditions of appointment. At every CFP bi-monthly meeting Members are requested to share any conflict of interests as per their terms of appointment. These are published with the note of the meeting on the CFP webpages.</p>

Principles of corporate governance	Assessment	Explain
There are clear rules and guidelines in place on political activity for committee members and staff with effective systems in place to ensure compliance with any restrictions.	Compliant	There is a declaration of political interest in the terms and conditions of appointment. During each CFP meetings Members announce any such activities and there is a log also of any Conflicts of Interest activities. Which are published in the Minutes of the meeting should there be any.
There are rules in place for committee members and senior staff on the acceptance of appointments or employment after resignation or retirement which are effectively enforced.	Compliant	Included in terms of appointment. Standard BEIS rules apply.
Committee members and senior staff should show leadership by conducting themselves in accordance with the highest standards of personal and professional behaviour and in line with the principles set out in respective Codes of Conduct.	Compliant	Included in terms of appointment. High and professional standards of behaviour are constantly reviewed and strived for.

This publication is available from: www.gov.uk/government/publications/committee-on-fuel-poverty-tailored-review-2019

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