

CONSUMER FOCUS BOARD

Paper 7

Title: Transition management

Date of meeting: 25 January 2012

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1 Issue

- 1.1 Whilst we are awaiting a final decision from the Government, Consumer Focus continues to anticipate transition and this paper reports on action which has been taken since the last Board meeting.

2 Recommendations

- 2.1 The Board is invited to note the work done since the last meeting.

3 Finance

- 3.1 We are awaiting news of our 2012/13 budget and planning for various contingencies is the subject of a separate paper to the Board. Subject to Government decisions, the 2012/13 budget will need to contain provision for transition. Insofar as costs exceed the resources available to Consumer Focus e.g. redundancy costs, we will have to turn to BIS who have a budget available in 2011//12 and 2012/13 to support transition. Organisations taking our functions may require an indemnity from Government for taking on length of service type liabilities for Consumer Focus staff transferring on TUPE or TUPE like terms where their terms and conditions would have to be maintained. We have provided relevant details to Government so that any liabilities can be ascertained and the Government Actuary Department can calculate accrued pension costs.
- 3.2 We will meet the redundancy costs arising from ceasing work on social marketing from provisions set aside. This is also the case with the Scottish Government projects.
- 3.3 We are meeting with Department of Health to determine how we handle remaining work on social marketing. At the end of March we expect to have £150,000 remaining from an original grant of £825,000. This process has proved more complex than we had envisaged, with a lack of clear understanding on historic contractual relationships, and is likely to take some more time to reach a conclusion. This consideration, and the entire NSMC close down, is being overseen by Enid Rowlands, Sharon Darcy and Sukhvinder Kaur-Stubbs.

4 Value – how we are transferring values, e.g. IPR, data, skills

- 4.1 We have valued the IPR on social marketing at nil cost with a view to disposing of it once we no longer have a use for it. We may need to value other IPR we dispose of in the future.
- 4.2 Asset inventories have been compiled for the Scottish Government funded projects. There is little of value in the way of equipment likely to transfer and databases held by projects comprise little more than stakeholder contact lists.

IPR produced through work carried out by the Scottish Government funded projects is vested in the Grantee, Consumer Focus Scotland, though the Grantee is required to grant to the Scottish Ministers a 'free, permanent, non-exclusive licence of the Intellectual Property Rights' in any materials produced as part of each projects workplan.

- 4.3 In transferring the project teams to new host organisations it would be our intention to transfer the respective IPR for each project under the same conditions, to ensure that there is the maximum free public access to the outputs from each project, in perpetuity.

5 Staff

- 5.1 We have consulted with the Trade Unions in relation to redundancy or potential transfer (as a secondary, less likely option), for NSMC staff. We received BIS agreement to run a voluntary redundancy scheme contained to this area of the business and four of the five staff who work in NSMC have opted for voluntary redundancy. BIS approval will now be sought to run a compulsory redundancy process for the remaining post.

- 5.2 We have also opened consultation with the Union on potential transfer or redundancy in Scottish Government funded projects. This process is ongoing whilst we work with Scottish Government to determine appropriate receiving organisations for the projects. The ongoing consultation with staff has ensured they remain updated in relation to progress and this has helped alleviate concerns during the uncertainty they are experiencing. As a consequence both motivation and morale remain high and the employees have remained engaged.

- 5.3 We have also submitted a bid for a Retention Scheme to BIS and are awaiting a response.

- 5.4 Consumer Focus Wales are in discussion with Citizens Advice about what additional resources Citizens Advice Cymru might take on if some of our functions are transferred to them.

6 Risks – how risks around transition are being identified and managed

- 6.1 We have identified a Transition Director and, subject to contract, he will start on 24th January. An early task will be to draw up a transition plan. He will need to work closely with Consumer Focus Scotland (who have a Transition Manager in Chris Thirkettle) and Consumer Focus Wales where we should consider nominating a transition lead and with Consumer Focus Post Northern Ireland.

- 6.2 Good progress is being made in transferring three of the four Scottish Government funded projects. Relevant employee information has been passed to the new hosts, future funding guarantees have been obtained from Scottish government and we are engaging with the Government Actuary Department (GAD) on the complex issues relating to pension-fund comparability, and indemnity for future possible redundancy situations.

- 6.3 The remaining (fourth) prospective Scottish Government funded project transfer is in abeyance at present since the future structure of the preferred new host organisation is itself under review by the Scottish Government and will not be revealed before March 2012.

- 6.4 A good deal of work is being done on options for an early transfer (e.g. by October 2012) of the work of the Extra Help Unit to Citizens Advice Scotland so that the work of EHU can be integrated as soon as possible with that of Consumer Direct which will be

taken over by Citizens Advice Scotland and Citizens Advice in April 2012. We continue to consider how we deal with the risks involved in EHU work being carried out by another body whilst we retain legal responsibility, e.g. if we passed the work to CAS in October 2012 and we were not abolished until April 2013.

- 6.5 We have revised our risk register and this was considered by the Audit and Risk Committee on 18th January. As with earlier versions we will send it to BIS to promote the sharing of risks across the organisations involved in the consumer landscape. BIS have appointed a Transition Manager.