

Project Name:	NSMC CLOSURE		
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Author:	Angela Fox		

Approvals

This document requires the following approvals. A signed copy should be placed in the project files.

Name	Signature	Title	Date of Issue	Version
Graham Clark		Director of Finance and Operations		
Mike O Connor		CEO		

Distribution

This document has been distributed to:

Name	Title	Date of Issue	Version
Graham Clark	Director of Finance and Operations		
Mike O' Connor	CEO		
Luke Van Der Beeke	NSMC International and DH Operations		
Robyn Lake	NSMC Accountant		
John Bromley	Director of The NSMC		
Lucy Martin	HR Manager		

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Plan Description

The project mandate derives from the Consumer Focus Board's decision on 29th September 2011 to close NSMC in its existing form. The Audit and Risk Committee meeting on 12 October 2011 and the Human Resources and Remuneration Committee meeting on 18 October 2011 were informed that a project manager, external to NSMC, had been appointed to avoid conflicts of interest.

The Board also agreed that Consumer Focus would facilitate the continuation of work of the NSMC in a new form outside Consumer Focus provided that must be:

- no significant costs or risks to Consumer Focus;
- a reasonable chance of success for the new organisation:
- fair treatment of staff;
- proper valuation and disposal of public assets, including any IPR;
- clarity in the closure plan about where vires came from initially;
- a clear audit trail.

Work on redundancy and necessary consultation with staff and unions and valuing IPR is underway.

Where relevant, Prince 2 methodologies will be used. There are two main stages: closure of NSMC including notice periods and/or TUPE; and facilitating the possible creation of a new body although the creation of a new body is not a task for Consumer Focus.

More detailed individual work stream plans and an updated risk log are being drawn up and will be circulated once approved.

Plan Prerequisites

The plan must ensure that work still to be delivered by NSMC for budgets awarded by external bodies is completed and accounted for and any surplus returned.

If any contracted work cannot be completed by that date we should either seek the agreement of those who contracted Consumer Focus to do the work so agree that the work will not be completed and the relevant funds returned, or with their permission, pass the work to others to complete.

Consumer Focus will not take on any new contracts for work to be delivered after 31 March 2012 unless the work can be passed to others

Consumer Focus will seek Government agreement to redundancy procedures for 5 NSMC posts

Commence the consultation with staff and the Unions over the redundancy of the posts as a result of the decision to cease work in social marketing.

Investigate the possible disposal of assets.

The CEO requires the Director of NSMC to ensure and support the closure project.

The plan must address the recommendations of the audit report “Governance – Transition Planning NSMC Arrangements” of October 2011 produced by Tribal. These recommendations are not reproduced here but will be included in the more detailed work plans.

Communications

A communications plan is being drawn up to ensure external and internal stakeholders gain the correct understanding of what is to happen and by when. This must be done in a manner that does not damage the reputation of NSMC or Consumer Focus.

Lines to take should be communicated throughout Consumer Focus. Words such as transition and transfer are to be avoided. Closure is the preferred idiom.

Assets

On 12 October the Audit and Risk Committee were told that:

“Disposal of assets to a CIC could be novel and contentious, requiring referral to Treasury but closing the NSMC was not”.

The IPO guidance states that IPR must not be given away. Instead it must be valued in a manner that is both reasonable and fair. The Valuation checklist on-line has been used to ascertain it's value. This exercise is summarised in a separate report and is listed below as one of the project deliverables.

Any tangible assets should be identified and their value ascertained.

HR

HR and TUPE issues must be dealt with via the correct channels.

The intention is that Consumer Focus will be open and transparent in its negotiations.

At risk letters to go via Luke Van Der Beeke.

Lucy Martin to conduct 1:2:1 meetings with staff.

External Dependencies

Named contractors remain engaged.

External funding for any new body must be kept separate from Consumer Focus funds.

Separate to this closure, some individuals currently providing services (whether directly employed, seconded or as contractors) may form a Community Interest Company (CiC).

Although out of scope Consumer Focus has agreed to provide nominal support in principle.

Planning Assumptions

That part of Consumer Focus known as the National Social Marketing Centre will close on or before 31 March 2012.

The Board and CEO continue to support the concept of creation of a CIC drawing upon already allocated DH funds during the closure of NSMC.

The Board and CEO support the transfer of IPR and any residual tangible assets to a CIC (if such a body emerges and subject to proper processes being followed).

Monitoring and Control

Project Initiation meeting	14 October 2011
Project Plan to MoC	24 October 2011
First report to nominated Board Members	25 October 2011
Team Plans to Project Lead by	9 November 2011
Regular meetings of project team	Fridays at 11am
First full report to Board	10 November 2011
Updates to MoC	Monthly/exception
Report to AR and HRC	Monthly/exception

Budgets

Possible costs of TUPE advice

Nominal travel costs.

£196k set aside to fund potential redundancies

£49k set aside to fund possible contractor notice.

Tolerances

The target date for closure is on or before 31 March 2012. If this is to be delayed there must be clear and defensible reasons for doing so and any extension would need to be agreed by the full Board.

There is no specific project budget set aside for this work but nominal costs can be covered.

Background to Out Of Scope Deliverables

Consumer Focus has broad powers which in TSol's view permits Consumer Focus to consider a range of options to achieve the objective of NSMC as a self-sustaining body. In the general exercise of its functions the Consumer Focus (CF) must -

- have regard to the need to use its resources in the most efficient and economic way; and
- exercise its functions in the manner it considers best calculated to contribute to the achievement of sustainable development.

TSol take the view that the objective for NSMC to become a self-sustaining body is not inconsistent with these requirements. Section 22 of the Consumers, Estate Agents and Redress Act 2007 provides that Consumer Focus may provide to any person advice or assistance as respects any matter in which it has skill, experience or expertise. Consumer Focus may charge for those services. This section is intended to enable Consumer Focus to undertake paid work or other work for other persons.

Consequently, there is no reason in principle why NSMC should not be constituted in such a way as to recover its own operating costs through charges to those to whom it provides services. This is so whether or not it remains within Consumer Focus.

Consumer Focus has the power to spend money in the exploitation of commercial opportunities arising from the activities it carries on in the exercise of its functions. This would include the commitment of funds from grant towards the setting up of NSMC in a new form, either within Consumer Focus or as a separate body.

Consumer Focus may establish bodies corporate to exercise on its behalf such functions as it may determine. Consumer Focus may also, with the consent of the Secretary of State, acquire an interest in an existing body with a view to it exercising on behalf of Consumer Focus such of its functions as it may determine. This provides the authority to create or acquire a body at arm's length from Consumer Focus to act on its behalf. In this context TSol understand this to mean carrying out functions that are within the powers of Consumer Focus itself to carry out should it wish to do so.

These powers are wide but they are related to Consumer Focus's functions and it is TSol's view that the work and activities of NSMC currently falls within the statutory functions. Any future development of the work of NSMC independently of Consumer Focus must nevertheless continue to have an eye on the functions conferred by the 2007 Act.

The core functions are set out at sections 8 to 10 of the Act. They relate to 'consumer matters', being the interests of consumers and related matters. 'Consumer' for these purposes means (principally) a person who purchases, uses or receives, in Great Britain, goods or services which are supplied in the course of a business. The powers which appear most relevant to the activities of the NSMC include:

- the provision of advice and information about consumer matters to any person who might be considered to have an interest in the matter in question;
- the obtaining and keeping under review information about consumer matters and information about the views of consumers on such matters;

- the facilitation of dissemination to consumers of advice and information about consumer matters.
- So for example it would be within the conferred powers for NSMC to provide information to a third party about matters related to the interests of consumers in Great Britain. TSol hold the view that it is possible to stretch this quite wide but it is not entirely without limitation.

The issue was raised as to whether it is open to NSMC, however constituted, to provide services abroad. In this context TSol assume that this is intended to include both the provision of services by third parties abroad on behalf of Consumer Focus and also the provision of services from the UK to third parties abroad. (It is implicit that Consumer Focus is not entitled to set up offices outside the UK - paragraph 27 of Schedule 1 to the 2007 Act). In principle there is no such restriction on doing this save that the services provided must relate, by virtue of the definition, to the interests of consumers in Great Britain or matters related to those interests. In TSol's view there is nothing that restricts the exercise of powers to the UK per se and no reason why contractual arrangements should not be entered into regarding services to third parties overseas subject to the above proviso.

Project Deliverables Schedule

Product Identifier	Product Title	Product Description approved		Draft Ready		Final Quality Check completed		Approved		Handed Over (if applicable)	
		Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual
	Project Plan	14 Oct 2011		24 Oct 2011							
	Risk Log	14 Oct 2011		26 Oct 2011							
	Issues Log	14 Oct 2011		On-going							
	Daily Log	14 Oct 2011		On-going							
	Comms Plan	14 Oct 2011		7 Nov 2011							
	HR Plan	14 Oct 2011		9 Nov							
	IPR Valuation	14 Oct 2011		24 Nov							
	Tangible Assets Valuation	14 Oct 2011		25 Nov							

Out of Scope Deliverables Impacting on Project

Product Identifier	Product Title	Product Description approved		Draft Ready		Final Quality Check completed		Approved		Handed Over (if applicable)	
		Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual
	Design freeze of a CIC structure					11 Nov 2011					
	Creation of a CIC					17 Nov 2011					
	Set up of financial products	14 Oct 2011									
	Transfer, sale or license of IPRs									On or before 31 March 2012	
	Bidding stage for work past closure										