

**Title:** Transition management  
**Date of meeting:** 10 November 2011  
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**Attachments:** Annex A – NSMC project plan  
Annex B – Director of Transition job description

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## **1 Issue**

- 1.1 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 Progress**

- 3.1 As envisaged in the September Board we will routinely report under four headings:

Finance – the costs of transition;

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

Staff – how the interests of staff are being promoted;

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

## **4 NSMC**

- 4.1 However we will also include exception reports on particular issues. The Board has agreed that transition around social marketing supervised by the Chairs of Audit and Risk and Human Resources and Remuneration and Sukhvinder Kaur-Stubbs. We have appointed Angela Fox to create and manage a project plan and a version as of 24 October is attached (Annex A). It has been sent to the aforementioned Board Members and sets out in standard form how we are planning finishing working on social marketing including:

- completing work and seeking to put in place mechanisms for arranging the completion of work after 31 March;
- making posts redundant;
- investigating the disposal of assets including IPR.

- 4.2 Although the work is not being done by us, work is also underway to establish a Community Interest Company. It is hoped that this will be completed in November. It is important to stress that whilst we support the creation of a CIC to work on social marketing, we cannot ensure that it happens. If it does not, we will simply be in work out mode.

- 4.3 The Board Members will meet, in tele-conference on 30 November when we will report to them on:
- redundancy;
  - the valuation of tangible assets, intellectual property rights and their possible disposal;
  - communications plans;
  - risk register.

## **5 Finance**

- 5.1 The costs of transition will be partly those of closure which will fall to Consumer Focus, or to BIS if we have insufficient resources, and to BIS and the Scottish Government in respect of funding those organisations who take on our functions. The receiving organisations 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 BIS so that any liabilities can be calculated and the Government Actuary Department can calculate accrued pension costs.
- 5.2 Given the proposed partnership between Which? and Citizens Advice/Citizens Advice Scotland, we have met with Which? to provide them with as much information as possible about our functions and cost. We have yet to receive any further details on how the partnership might work. We are currently investigating how best to satisfy Scottish Government's , and the proposed new hosts', needs for information to enable them to estimate transition costs and liability relating, in particular, to pension compensation and/or indemnity arising from TUPE and COSOPs regulations.
- 5.3 At this point in the process of transfer, the limited level of engagement between Scottish Government and potential new hosts around prospective new contracts has resulted in a circular problem of unwillingness to engage until transition costs are clear and an inability to provide detailed transition costs pending a declaration of intent to enter a contract. Encouraging a more energetic approach to the transfers by the contracting parties, is an early focus of our attention.
- 5.4 We are awaiting news of our 2012/13 budget.

## **6 Value – how we are transferring values, e.g. IPR, data, skills**

- 6.1 We are in the process of valuing IPR on social marketing with a view of disposing of it once we no longer have a use for it.

## **7 Staff – how the interests of staff are being promoted**

- 7.1 We have opened consultation with the Union on potential transfer or redundancy in Scottish Government funded projects and on redundancy or potential transfer (as a secondary, less likely option) for NSMC staff. We have submitted a bid for a Retention scheme to BIS. We continue to communicate with staff on how transition is progressing. We have met with Which? and shared with them as much information as possible, short of breaking data protection law, about our staff.

## **8 Risks – how risks around transition are being identified and managed**

- 8.1 We have appointed a Transition Manager (Chris Thirkettle) in Scotland where there is a significant and early workload due to the decision by the Scottish Government to withdraw funding for the projects from the end of 2011/12 making their transfer a year earlier than the rest of CF. This did not reflect any lack of satisfaction by the Scottish Government with our work but merely a pragmatic decision on their part to see the work continue after our closure. Chris is planning for the transition of these projects. He is also working on the options for a possible early transfer, via contracting arrangements (i.e. by October 2012) of the work of the Extra Help Unit to Citizens Advice Scotland in advance of closure so that the work of EHU can be integrated with that of Consumer Direct which will be taken over by Citizens Advice Scotland and Citizens Advice in April 2012.
- 8.2 Later this month we will be participating in a meeting between BIS and CAS about resolving potential obstacles to an early transfer of EHU in particular dealing with:
- the issue of the risk involved in a transfer of the function whilst the legal responsibility is retained by CF;
  - ensuring transfers of staff / financial underwriting of staff liabilities /pensions if legislation which will follow the Public Bodies Bill has not been completed.
- 8.3 A paper will be submitted to the Main Board at its next meeting seeking agreement on the way forward on EHU. It will outline the risks and benefits.
- 8.4 We have drawn up a Job Description for a Director of Transition (Annex B). We are seeking permission from BIS to recruit as soon as possible.
- 8.5 We have revised our risk register.