



CabinetOffice

Public Bodies Reforms: Checklist for departments

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INTRODUCTION

On 14 October 2010 the Minister for the Cabinet Office announced proposals for reform of public bodies, to increase accountability, cut out duplication of activity, and discontinue activities that are no longer needed. The proposals also follow up the commitment in the Coalition Agreement to reduce the number and cost of public bodies. This is a part of a wider programme of public sector reform aimed at giving a better deal for taxpayers, ensuring resources are targeted where they are needed most and using transparency to help the public hold Government to account.

The review looked at 901 bodies, most of which are non-departmental public bodies (NDPBs), but also includes some non-ministerial departments and some public corporations. The Government proposed reforms to over half the public bodies in the review. Some changes can be made without legislation and some are being delivered through departmental Bills. The Public Bodies Bill provides a legislative vehicle for enabling reforms to the many of the public bodies covered by the reforms.

Individual government departments are responsible for implementing these reforms, in partnership with public bodies and including engagement with staff, trade unions and stakeholders. This checklist provides departments with high level pointers on issues they may need to address in implementing the reforms, and where appropriate to seek further advice and contacts. It is presented in the form of questions which organisations need to ask themselves, to help identify which issues are relevant to the particular body, function or context they are working in. The answers to these questions will depend on the context,

the size and nature of the body and the stage of the reform process. Not all of the issues are relevant to each body and not all will need to the same type or scale of response. A Department will need to ascertain the legal and administrative processes that must be followed, which will vary depending on the legal form of the body and nature of the reforms to it. This checklist does not necessarily reflect the details of the processes that will apply and is merely a high level statement of a range of issues that may need consideration.

It is open to departments to tailor the checklist to the specific issues in their areas of work and to add departmental specific contacts and guidance. We hope this list will be helpful to anyone working on public bodies reform. The checklist itself does not constitute formal guidance and is not a substitute for seeking out speaking expertise and legal guidance on these issues. It does include links and references to formal guidance and statutory guidance, and also to sources of advice and good practice which are not mandatory.

The list of issues covered here is not exhaustive. Not all the issues mentioned will need to be covered in every reform process, for example some bodies covered by the reforms own or manage buildings, but others will not have any assets. Many reforms are part of wider changes to an area of policy or service delivery, and so steps such as impact assessment or consultation on a public body may be part of wider exercises.

The Cabinet Office Public Bodies team welcome comments and additions to the checklist, and will consider further updates to the list. Please send suggestions to rajan.khakhhar@cabinet-office-office.x.gsi.gov.uk

**For more on Public Bodies,
please go to**

**[http://www.cabinetoffice.gov
.uk/content/public-bodies-
and-appointments](http://www.cabinetoffice.gov.uk/content/public-bodies-and-appointments)**

1. GOVERNANCE

Governance relates to the way in which a body is controlled, managed and directed. Most public bodies, for example, will be run by a board of non-executive members, led by a non-executive Chair, and will have terms of reference (and often specific legislation) which set out roles and responsibilities and how the body is to be governed. The Accounting Officer (whether of the Department or the public body) is personally accountable to Parliament for the stewardship of the resources within the organisation's control and must be satisfied that the organisation(s) uses its resources efficiently, economically and effectively, avoiding waste and extravagance. These principles are key to the controlled closure, or merger, of organisations so accountability and assurance during and after transition need to be clear and unambiguous. Governance arrangements will vary between different types of public body.

	Have you considered...
For all types of reform:	1. Ensuring you have clear, measurable objectives for the change programme, backed up by an implementation plan?
	2. Have you considered a documented timescale and process for when the functions of the body to be merged or abolished become the responsibility of the department or new body's governance structure?
	3. The role of the chief executive and the Board in setting out the values and ethics of the organisation during the change programme?
	4. Ensuring that all Audit Committee members are fully briefed about the proposals and the associated risks?
	5. Ensuring that the role for internal audit is clearly identified, that internal audit is fully briefed about the proposals and associated risks and effectively deployed to provide key advice and assurance (this may include reviewing control arrangements through to closure/merger in order to provide an independent opinion to support the Statement on Internal Control).?
	6. Ensuring that the Senior Information Risk Owner (SIRO) at Board level is fully engaged with all aspects of planning for the change programme, taking account of the increased risks at times of change?
	7. Discussing how governance arrangements will be strengthened during the period of change?
	8. Setting up a Project Board, with sub-boards for specific topic areas as necessary?
	9. How to ensure a close working relationship between the senior management of the department and the public body?
	10. The advantages of a joint board comprising the department and the public body, with clarity about which decisions and actions are for which party?
	11. How to define the role of the Project Board in relation to the departmental board and the board of the public body itself?

	12. Setting down in writing the respective roles and responsibilities of the public body and its sponsor department during the change period?
	13. Ensuring there is a clear channel of communication between the departmental Accounting Office and the team leading the transition?
	14. Making transparent any conflicts of interest within the Board, e.g. involvement in successor arrangements?
	15. Putting in place a clear and robust approach to risk assessment and management, with supporting documentation?
	16. Whether you have the appropriate project resources and documentation to support closure or other reforms?
	17. How to maintain capacity for ongoing operational management and leadership during the transition?
	18. How to deal appropriately with existing temporary appointments, or whether temporary appointments are needed to see through the reforms?
	19. Are Accounting Officer(s), and/or successor Accounting Officer, responsibilities and timescales clear for preparing a Statement on Internal Control for the respective entities that will be adequately supported and informed by directors and internal audit?
	20. Tracking and managing the expected benefits of reform?
	21. Using the experience of Arms Length Bodies in the Department?
For bodies being abolished:	22. Who has responsibility for preparing, signing and auditing the final financial statements?
	23. Whether there is a clear role for the Board of that body once the decision has been taken to close?
	24. Whether there are adequate resources in place to deal with transition issues such as the transfer of functions?
	25. How to deal with residual issues that last beyond the life of the body, such as financial matters, and the protection and destruction of residual information after closure?
	26. A process for allocation of assets and liabilities between parent department, successor bodies and disposal?
For bodies that remain or are being set up:	27. How to implement any cross-government governance and review processes (e.g. those specified by Cabinet Office)?
	28. What will be the role of the sponsorship team in the future?
	29. What governance framework is required for that body (e.g. NDPB)?
	30. Constructing a business case that demonstrates business need?
	31. Securing approval from HM Treasury and Cabinet Office?
	32. Building in an ongoing review process?
For bodies changing status:	33. Contacting the Charity Commission (for those bodies retaining or seeking charitable status)?
	34. For those offering scientific advice, ensuring that you are still meeting the Principles of Scientific Advice to Government?
	35. Consulting Cabinet Office and HMT as appropriate (who will determine the body's new status (if still in the central Government sector) and rule on public/private issues)?

Departmental lead contacts for Governance:

[Individual departments to fill in]

Sources of advice across departments:

Cabinet Office - Security Policy Framework <http://www.cabinetoffice.gov.uk/resource-library/security-policy-framework>

HMG IA Standard 5 - Secure Sanitisation of Protectively Marked Information or Sensitive Information (obtainable from CESG).

CESG: enquiries@cesg.gsi.gov.uk

GO-Science – Science in Government

Alison Wright alison.wright@bis.gov.uk

Stuart Sarson stuart.sarson@bis.gsi.gov.uk

Audit Committee Handbook:

www.hm-treasury.gov.uk/audit_committee_handbook.htm

2. PEOPLE ISSUES

For staff affected by these changes there is often a period of uncertainty and potential anxiety.

Communication is key. Staff need to know why the change is happening; how the change is happening; the planned timescales; and how it affects them. Communicating with staff should be started at an early stage; undertaken with clarity and openness to manage expectations; and occur with consistency and regularity. Whilst visible leadership is welcomed in such situations by staff, it should be remembered that communication needs to be two-way. Whilst staff need to be informed, they also benefit from being able to share their concerns, being able to ask questions. Be open, be honest, be supportive.

These principles should apply whether staff are being transferred into another organisation or are in a redundancy situation. Legal requirements must be complied with. This is an area where Departments are highly likely to need legal advice.

	Have you considered...
For all types of reforms:	1. Developing an internal communications plan with both staff and trade unions to ensure messages are regular and consistent?
	2. Who to talk to you in your department as soon as you identify that there is an impact on staff and whether they can help you develop a people plan?
	3. Identifying a lead contact for affected staff?
	4. Instituting regular fora for face to face contact with staff?
	5. Reflecting the changes in performance management arrangements?
	6. Producing guidance for line managers on supporting staff?
	7. That staff respond to change in different ways and may need different forms of communication?
	8. Ways for staff to share experience and make contacts with staff in relevant bodies, e.g. through secondments?
	9. Looking at staffing changes in the context of the department's and its remaining public bodies' future workforce needs?
	10. Whether you hold sufficient information about staff and their contracts?
	11. That you may be changing staff's status so they become civil servants?
	12. Whether you hold sufficient information about the terms and conditions of board members?
	13. Disclosing senior management severance costs in the remuneration report and information on wider employee compensation (exit packages) as a note to accounts?
	14. Whether there will be changes to wider staff benefits e.g. on-site childcare?
	15. How to ensure adherence to contracts of employment and redundancy agreements?
	16. That you will need a very strong business case to demonstrate value for money for reemploying staff? See NAO link below.
	17. Minimising uncertainty about redundancy or transfers by providing information on the terms and timing of redundancy as early as possible?
	18. How do deal with any non pay elements of existing reward packages that are not appropriate for Civil Servants e.g. private use cars and private health insurance?

	19. Are there any outstanding performance issues / grievances that need to be resolved?
	20. Are there opportunities, in addition to outplacement support, for staff to up-skill or re-skill and strengthen connections with possible future employers?
	21. Is the body accredited, enabling staff to apply for jobs on civil service vacancies site?
	22. Can HR systems and processes (including payroll) cope with a variety of different Ts&Cs?
	23. How can key staff be retained whilst still needed?
	24. How will the new organisation be structured?
	25. What number of roles will be required? (workload)?
	26. What level will the new roles be? (job evaluation)?
	27. Who will design the new roles / structure?
	28. What will be the process for mapping staff into the new roles?
	29. Whether relocation will be an issue for some staff and how this can be resolved, including whether contracts include mobility clauses?
	30. Getting HMT severance approval for severance payments above normal terms and conditions?
For bodies being merged, downsized or abolished	31. Whether departmental guidance on managing surplus staff has already been drawn up?
	32. Whether a protocol has previously been agreed and applies (as in the civil service for example)?
	33. In staff transfer situations, whether TUPE or COSOP applies?
	34. Are staff expectations and rights being appropriately managed where terms and conditions are affected?
	35. The earliest appropriate point at which to engage in consultation with staff and trade unions?
	36. Whether voluntary severance schemes might be needed to reduce staff numbers before consideration of compulsory arrangements?
	37. How to communicate clearly to staff as early and as regularly as possible, including informing them when there are delays?
	38. Maintaining appraisal and personal development opportunities to ensure that performance does not dip?
	39. Ways of redeploying staff across the department, its public bodies, and bodies with similar skills needs belonging to other departments, or other measures to avoid compulsory redundancies where possible?
	40. Whether there is a risk of re-employing staff made redundant and whether this represents good value for money?
	41. Whether natural wastage would provide for any headcount reduction?
	42. Developing transparent and fair selection criteria for redundancy and early release schemes that help ensure that the people needed to deliver future business are retained?
	43. Ensuring any support is properly costed?
	44. Factoring costs arising from redundancy into budgets?
	45. How to provide support to people affected, e.g. through retirement planning, support in finding other work, CV writing, or other types of training?
	46. Who will provide confirmation of employment and / or references following closure?

For bodies being merged:	47. How pay and conditions can be harmonised whilst avoiding additional expenditure as far as possible?
	48. Whether there are issues of pension equivalence?

Departmental lead contacts for People:

[Individual departments to fill in]

Sources of advice across government:

http://www.hm-treasury.gov.uk/d/staff_transfers_145.pdf

<http://www.bis.gov.uk/policies/employment-matters/rights/tupe>

http://www.nao.org.uk/publications/1011/arms_length_bodies.aspx

BIS: www.businesslink.gov.uk

BIS provides practical advice on employment and skills issues. Particularly relevant is their guidance on handling potential redundancy situations (which includes an interactive tool) and on Transfer of Undertakings Protection of Employment (TUPE).

ACAS: www.acas.gov.uk

ACAS guidance includes redundancy handling (with redundancy case studies), TUPE and 'managing in difficult times'. ACAS guidance helps in clarifying the requirements of employment legislation and is often used as the standard in employment tribunals.

CIPD: www.cipd.co.uk/subjects/emplaw

CIPD employment law guidance covers redundancy handling and TUPE (including a frequently asked questions section).

Applicable to the public sector:

Machinery of Government Changes Best Practice Handbook:

<http://umbr4.cabinetoffice.gov.uk/media/332838/mog-handbook.pdf>

Staff Transfers in the Public Sector Statement of Practice (COSOP), including Staff Transfers from Central Government: A fair deal for staff pensions

www.civilservice.gov.uk/about/resources/employment/codes.aspx

Applicable to the civil service and some NDPBs¹:

Protocol for handling surplus staff situations:

www.civilservice.gov.uk/about/improving/efficiency/efficiency.aspx

Applicable to the civil service:

Civil Service Management Code: The rules for delegated terms and conditions –chapter 11 'Leaving the Civil Service' is particularly relevant (currently being redrafted):

www.civilservice.gov.uk/aboutwork/codes/csmc/index.aspx

¹ NDPBs that either employ civil servants or who have representation from civil service trade unions

Good practice for managing the people consequences of outsourcing and privatisation:
www.civilservice.gov.uk/about/resources/employment/codes.aspx

Informing and consulting employees in the civil service:
www.civilservice.gov.uk/about/resources/employment/codes.aspx

3. COMMUNICATIONS AND STAKEHOLDER RELATIONS

To bring about the reforms to a body there will need to be effective communication with your various stakeholders. To do this you may need to create a plan or cover in a wider comms plan. Your communications need to be sent through appropriate media to reach your stakeholders. Websites may need to be updated or closed down and appropriate signposting supplied.

	Have you considered...
For all types of reform:	1. How to engage staff and other important stakeholders in the reforms, gathering their expertise and suggestions as appropriate?
	2. Developing a stakeholder engagement strategy?
	3. Which stakeholders need to be kept informed of public body reforms? For example: <ul style="list-style-type: none"> ▪ Management and staff in the body and associated organisations, such as the department itself ▪ Other government departments with an interest ▪ External data owners or partners in shared services arrangements ▪ Key external partners such as interested voluntary organisations and the EU ▪ Customers ▪ Trade unions or staff associations ▪ Contractors ▪ Parliament and sections of the public
	4. The means by which to communicate this?
	5. How the organisation's governing body can play a role in communicating the benefits and story behind the reforms?
	6. Working with a group of industry and customer representatives and professional bodies to communicate an accurate message about the changes?
	7. Whether relevant websites should be updated to reflect the position?
	8. Working with colleagues in other government departments to share expertise and learning about implementing reforms?
	9. Developing a handling plan for reforms that may have significant interest from influential lobby groups or others who wish to be involved in shaping the reforms?
For bodies being merged or abolished:	10. Ensuring any customers of the body are aware of the changes and the new point of contact?
	11. The right timing of any closure of websites, and whether signposting to any new sites or alternative sources of information will be needed?

Departmental lead contacts for Communications and stakeholder relations:
[Individual departments to fill in]

4. IMPACT ASSESSMENT, INCLUDING EQUALITY IMPACT ASSESSMENT

Changes you propose to make may require impact assessment. You need to consider the impact on any relevant groups including in relation to race, disability, gender, age, sexual orientation, religion and belief, gender reassignment, small and medium size enterprises and relevant industries. Existing learning can be used by looking at impact assessments done in similar areas to your own. You may need to involve economists and consider using an external expert panel in developing and signing off the impact assessment. Check for the most recent guidance and ensure your staff have it. Allow enough time and resources including quality assurance. Factor in resources to take forward actions from the impact assessment.

	Have you considered...
For all types of reforms:	1. The requirement to conduct an impact assessment when considering traditional regulations, as well as alternatives such as proposals that encourage self-regulation or opt-in regulation and voluntary guidance or proposed codes of practice?
	2. Considering, as required, the impact of your policies on race, disability and gender?
	3. Considering the impact of your policies in terms of age, sexual orientation, religion or belief and gender reassignment?
	4. Considering, as required, the impact of reforms on small and medium enterprises?
	5. Considering, as required, impact on relevant industries?
	6. Identifying who in your department is the lead contact on impact assessment?
	7. Working closely with your departmental better regulation unit?
	8. Looking at examples of impact assessments for similar reforms in order to use existing learning?
	9. Involving departmental economists in developing assessments?
	10. Ensuring a robust sign-off process, including peer review by economists and where appropriate use of an external expert panel?
	11. Securing internal sign-off from the departmental chief economist?
	12. Ensuring that you are complying with the most recent assessment guidelines?
	13. Ensuring that staff carrying out the impact assessment and equality impact assessment understand where to go for guidance?
	14. Factoring in sufficient time and staff numbers to carry out impact assessments, including time for evidence gathering?
	15. The requirements for publishing impact assessments, set out in the guidance?
	16. The importance of quality assurance for published impact assessments?

	17. Ensuring there are sufficient resources in place to take forward any actions resulting from the impact assessments?
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Departmental lead contacts for Impact assessment:

[Individual departments to fill in]

Sources of advice across government:

Impact assessments: <http://www.bis.gov.uk/ia>

5. LEGAL, EU AND DEVOLUTION ISSUES

The work to reform a public body may have a significant legal element to it. You need to check where to get legal advice. Departments should ensure that they have met any specified conditions and followed procedural requirements under any relevant legislation. If secondary legislation is required, ensure you have factored in enough time and staff available to implement. You need to check whether reforms have cross border issues and consult with devolved administrations. Check if you need legislation to transfer functions and wind up processes and legislation to receive new functions. There are considerations you need to make for winding up bodies depending on the way they have been set up including companies limited by guarantee, bodies under Royal Charter and bodies registered as charities. If the body has an EU dimension, you need to consider where functions and liabilities will be transferred to.

	Have you considered...
For all types of reform:	1. Whom in the department to contact to get appropriate legal advice?
	2. Whether the body requires legislation in order to reform it?
	3. If legislation is required, which legislation will be used?
	4. If the Public Bodies Bill, or another Bill that requires secondary legislation, is being used, has the time required to make the Order been factored in to planning, and are the staff in place to take this forward?
	5. If the Public Bodies Bill, or another Bill that requires secondary legislation, is being used, have you sufficient evidence that the changes will meet the required objectives?
	6. Whether the reforms result in cross-border issues?
	7. Discussing any changes with officials in devolved administrations from as early a stage as possible?
	8. Factoring in sufficient time to consult with ministers from other administrations before orders are made?
For bodies being abolished and merged:	9. Whether legislation being used to abolish a body makes provisions for powers to transfer functions and undertake other winding-up processes (such as preparation of final accounts and the disposal of assets)?
	10. Whether bodies that are receiving functions have the necessary legislative powers to do so?
	11. Whether the body is a company limited by guarantee and if so what steps need to be taken to wind up the company? ²
	12. Whether the body was set up under Royal Charter, and therefore whether the Privy Council Office should be consulted, as it has a formal role?
	13. Whether the body is registered as a charity and what steps need to be taken to wind up the charity?
	14. Whether the body is a competent authority or lead negotiator under EU directives or regulations and, if so, where these functions will be transferred to ensure they continue to be carried out?
	15. Whether the body holds any liabilities (e.g. for infractions of EU regulations) and, if so, where these liabilities will be transferred to ensure they continue to be met?

² See 18, Abolishing a body that is also a company limited by guarantee

Departmental lead contacts for Legal, EU and devolution issues:
[Individual departments to fill in]

6. OPERATIONS

Adequate time needs to be factored into operations including contingency time for delays. Current operations need assessment to see where they need increasing or decreasing (including risk and fraud) to successfully implement reforms. Develop a culture facilitative of change. If the body provides scientific advice consult the Chief Scientific Adviser and for official statistics contact the UK Statistics Authority and use the Code of Practice for Official Statistics. Quickly develop policies and resourcing plans for function transfer and engage with successor bodies. Signpost to the public where any enquiries or complaints functions are transferring to. You may need to manage withdrawal from projects, ensure some functions continue including support services, set up specific change teams and find ways of retaining staff critical for implementation.

	Have you considered...
For all types of reform:	1. Estimating the time that each stage of the reform process will take?
	2. Building in contingency time in case of delays?
	3. Ways of developing the type of organisational culture required for a change process?
	4. Reviewing the organisation's operations at the start of the change process to identify which areas might see either an increase or decrease in activity in light of decisions on future structure and functions?
	5. Putting processes in place to reduce the risk of fraud or other impropriety during the period of disruption?
	6. Whether short-term expertise – such as HR specialists – may be needed during transition?
	7. If the body provides scientific advice, and if so how should the department's Chief Scientific Adviser be involved in the reforms?
	8. Whether the functions of the body include production of National Statistics and if so what actions do you need to take in line with the Code of Practice for Official Statistics?
	9. Whether some statistics will stop being produced, and if so is there a need to inform the UK Statistics Authority?
	10. If the body is a Crown organisation and if not whether copyright for material should be assigned to the Crown?
For bodies being abolished and merged:	11. Moving quickly to develop clear policies on transfer of functions, and planning resourcing accordingly?
	12. Establishing relationships with any successor bodies to facilitate transfer of assets, information or functions?
	13. If the organisation deals with enquiries or complaints from the public (such as regulatory organisations), where responsibility for this will transfer and how the public will be made aware of the change?
	14. How to manage projects being delivered in partnership with other organisations – where the public body may have to withdraw part-way through?
	15. Whether a specific team needs to be set up for any element of closure – such as finance and accounting?
	16. How to retain staff who are critical for the transition period?
	17. Identifying which functions will continue, and where, in order to maintain their performance throughout the transition period?

	18. Ensuring that work ongoing throughout the transition period is sufficiently resourced, and that the organisation's objectives are appropriate for the transition year?
	19. Ensuring that support services (such as facilities management, IT systems etc) are maintained until closure?
	20. Ensuring that all IT systems containing personal data or protectively marked information continue to be managed securely until they are securely decommissioned?

Departmental lead contacts for Operations:

[Individual departments to fill in]

Sources of advice across government:

GO-Science – Science in Government

Alison Wright alison.wright@bis.gov.uk

Stuart Sarson stuart.sarson@bis.gsi.gov.uk

Code of Practice for Official Statistics

www.statisticsauthority.gov.uk/assessment/code-of-practice/code-of-practice-for-official-statistics.pdf

7. ACCOUNTING

Accounting involves the recording, reporting and analysis of financial transactions, and is fundamental to good financial management (Section 8). Public sector accounting requires that a set of rules and regulations are followed. The nature of the public body reforms will mean the accounting treatment will vary in different situations, depending on the organisations involved and the type of restructure.

The Treasury's Government Financial Reporting Manual (FReM) is the technical accounting guide that complements guidance on the handling of public funds published separately by the relevant authorities. The Manual is prepared following consultation with the Financial Reporting Advisory Board and is issued by the relevant authorities in England and Wales, Scotland and Northern Ireland. The manual does not apply directly to Local Government, NHS bodies and Public Corporations that are not trading funds, but divergences are specifically agreed.

	Have you considered...
For all types of reform:	1. Ensuring you are following HM Treasury's Government Financial Reporting Manual (FReM) and additional guidance or equivalent reporting guidance issued by relevant authorities?
	2. What accounting requirements are set out in relevant legislation?
	3. Whether the body is a going concern as interpreted by the FReM or other relevant accounting guidance?
	4. Whether the services or functions are being discontinued or transferred within or outside of the public sector?
	5. Contacting the National Audit Office (NAO) to ensure compliance with technical accounting requirements?
	6. Whether an NAO representative should attend Project Board meetings?
	7. Including in the final accounts any provisions, contingent assets or contingent liabilities, in accordance with the FReM or other relevant accounting guidance?
	8. Clearly documenting all assets and liabilities, including how and where liabilities have been discharged, applying acquisition accounting, merger accounting or asset transfer accounting interpretations as appropriate? A process of allocation of assets and liabilities between parent department, successor bodies and disposal?
	9. Have you considered which actions, in relation to final accounts, will need to be completed after the formal abolition of the body and who will undertake this (including Accounting Officer, internal audit and the Audit Committee)?
	10. How emerging figures on costs and savings will be communicated to ministers and HM Treasury?
	11. Separating out Resource and Capital transactions and applying appropriate discount rates to determine the present value of future transactions?

	12. Collating as much detail about redundancy costs as possible to meet, as a minimum, existing FReM and Cabinet Office disclosure requirements. Detail may include accounting for the number of headcount exits, wastage rates, redundancy packages and, where, relevant, using the updated proposals contained within the Civil Service Compensation Scheme?
	13. Including Prior Year Comparators (see NAO link below) in the accounts of successor bodies for the costs of activities that had previously been carried out, by any other body?
	14. Has the accounting Officer got parliamentary authority to spend public funds before the new organisation begins to work? See NAO link below?

Departmental lead contacts for Accounting:

[Individual departments to fill in]

Sources of further advice across government:

Financial Reporting Manual (FReM) and additional guidance

http://www.hm-treasury.gov.uk/frem_index.htm

http://www.nao.org.uk/publications/1011/arms_length_bodies.aspx

8. FINANCIAL MANAGEMENT

Financial management is the management of an organisation's finances to achieve specific objectives. In its broadest sense, sound financial management will include:

- financial planning to ensure funding is available to meet the needs of the organisation or service before, during and after reform;
- financial control, to ensure assets are used efficiently and effectively in a secure manner, within the defined frameworks for public bodies; and
- financial decision-making, based on sound financial information, in budgets, estimates and accounts.

	Have you considered...
For all types of reforms:	1. How to ensure that the process follows the appropriate Treasury guidance, such as <i>Managing Public Money</i> , <i>Consolidated Budget Guidance</i> and <i>Estimates Manual</i> ?
	2. Allocating a budget specifically for the change process so wind-up or reform costs, including redundancies, can be accounted for?
	3. Identifying and recording any efficiencies released over the change period, including where they are offset by transitional costs?
	4. Confirming the VAT status of the body and how this affects any changes?
	5. Fully costing any VAT consequences from restructuring?
	6. Whether new limits need to be placed on expenditure prior to closure or reform?
	7. Identifying and restating data on financial systems for prior period comparatives where appropriate?
	8. Assessing how financial systems data will be maintained or transferred adhering to <i>Managing Public Money</i> principles?
	9. How to undertake financial analysis of costs and savings?
	10. Subjecting financial systems and reports to additional checks to guard against fraud and general errors (for example to identify and action overpayments that might not be recovered once a body is dissolved)?
	11. Agreeing how and where any efficiency savings should be recycled?
	12. The costs of obtaining the right legal advice?
For bodies being abolished:	13. Developing a complete list of contractors and suppliers, so notice can be given, and so progress can be made on renegotiating where necessary?
	14. Including closure plans in financial forecasts as soon as they are confirmed?
	15. How to deal with financial commitments and contractual obligations in budgets, estimates and accounts (including where a body provides specific funding eg student loans etc)?
	17. Ensuring that the Accounting Officer role is defined following closure in order to sign off accounts and answer questions on accounting issues?
	18. Closing all bank accounts and cancelling GPC cards and access to financial systems?
	19. Ensuring that all elements of the closing balance sheet are transferred to either a successor or another body?
	20. How to ensure any costs incurred after closure can be paid and any unforeseen liabilities dealt with?

	21. Where to transfer data and records on accounting transactions?
For bodies being merged:	23. How to avoid unnecessary expenditure on re-branding, for example?
	24. Ensuring merger of information systems does not prevent the Finance Department and auditors being able to identify information relevant to the body that has been merged? ³
	25. Prior Period Adjustments in main or supplementary estimates to account for accounting policy changes? The requirement is removed from 2011-12?
	26. Which resources can continue to be used by the new organisations e.g. existing reports?

Departmental lead contacts for Financial Management:

[Individual departments to fill in]

Sources of advice across government:

Managing Public Money

http://www.hm-treasury.gov.uk/psr_mpm_index.htm

³ See 9 Knowledge transfer and information management

9. KNOWLEDGE TRANSFER AND INFORMATION MANAGEMENT

Making arrangements for knowledge transfer and information management is a key part of any machinery of government change. Forward planning and allocation of appropriate resource is essential to ensure a smooth transition. Key tasks include identifying information (both paper and digital and across all information systems) that needs to be transferred and ensuring that it remains usable and accessible, that it continues to be protected in accordance with national security policy and data protection legislation, making arrangements for the management of websites and their content and addressing any copyright issues.

	Have you considered...
For all types of reform:	1. Conducting a data audit?
	2. How to capture learning from the change process itself?
For bodies being abolished:	3. Assessing the information held, whether it needs to be destroyed or transferred, and to whom?
	4. Setting up a transition team to manage the transfer of knowledge, information and records?
	5. Whether official statistics are held and whether these will need to continue to be published following closure?
	6. If official statistics need to continue to be published, which body will be responsible for their publication?
	7. If the publication of official statistics will cease, letting the UK Statistics Authority know (and conducting a user consultation if they are national statistics)?
	8. Consulting the departmental Head of Profession for Statistics in case of any doubt over official or national statistics?
	9. How requests such as parliamentary questions, Freedom of Information or Data Protection Act requests will be dealt with in future?
	10. If the body is a Crown organisation and if not whether copyright for material should be assigned to the Crown?
	11. How to ensure that data is destroyed in line with HMG security policy, and audit and legal advice?
	12. Ensuring adherence to guidance on data transparency?
For bodies being abolished or merged:	13. Who in the public body or in the department will have responsibility for reviewing information and making decisions about transfer?
	14. How to ensure that data protection laws and HMG policies on data protection are followed?
	15. How to communicate the importance of knowledge transfer to senior management and staff?
	16. Whether there is legislation governing what should happen to the information?
	17. Whether a data transfer agreement is needed where data is being passed on?

	18. Ensuring that digital information continues to be useable and accessible if appropriate and discussing this with IT service providers?
	19. Whether a continuing web presence will be required or, if not, who will hold existing website content?
	21. How to capture the knowledge of staff who are leaving the organisation / sector?
	22. Ensuring adherence to COI web guidance (see link below)?
	23. The need for a digital continuity impact assessment?

Departmental lead contacts for Knowledge transfer and information management:
 [Individual departments to fill in]

Sources of further advice across government:

The National Archives guidance on the Dissolution and Privatisation of Public Bodies

<http://www.nationalarchives.gov.uk/documents/dissolution-and-privatisation-guidance-v1.pdf>

The National Archives' Machinery of Government Changes: Guidance on the Transfer of Records, Information and Knowledge.

http://www.nationalarchives.gov.uk/documents/machinery_of_government.pdf

Central Office of Information web standards and guidelines

<http://coi.gov.uk/guidance.php?page=188>

Digital Continuity

<http://www.nationalarchives.gov.uk/information-management/projects-and-work/digital-continuity.htm>

Cabinet Office - Security Policy Framework

<http://www.cabinetoffice.gov.uk/resource-library/security-policy-framework>

HMG IA Standard 5 - Secure Sanitisation of Protectively Marked Information or Sensitive Information (obtainable from CESG).

HMG IA Standard 6 - Protecting Personal Data and Managing Information Risk (obtainable from CESG).

CESG: enquiries@cesg.gsi.gov.uk

10. PENSIONS

Pensions are a key area in the public bodies reforms. Two of the main schemes are the Principal Civil Service Pension Scheme (PCSPS) and the Local Government Pension Scheme (LGPS).

	Have you considered...
For all types of reforms:	1. Which pension schemes do staff belong to?
	2. Whether adequate powers exist to meet residual pension liabilities for board members and staff, and the source of funding for any liabilities?
	3. Have you got as much information as possible about your pension scheme early on to help make decisions? E.g. Whether there is a pension scheme/s, what type of scheme it is (i.e. defined benefit or defined contribution), whether it is funded or unfunded, how it will be dealt with in the future, and who will be responsible for any deficit?
	4. Being careful when communicating with staff not to raise expectation or make commitments which cannot be met and result in creating unintended liabilities?
	5. Obtaining an up to date assessment of the pension provision (assets and liabilities) for the workforce?
	PCSPS
	6. For those bodies which are currently covered by the PCSPS, any legislation laid to abolish the body must also include a clause removing that body from Schedule 1 of the Superannuation Act 1972?
	7. Informing the Cabinet Office (Scheme Management Executive) of any such legislation?
	LGPS
	8. Contacting the LGPS team in CLG?
General	
9. Where employees of the body will be transferred with their work to another employer (either in the public or private sector), you are responsible for ensuring that the requirements of COSOP/Fair Deal (or, in connection with the Local Government Pension Scheme, the 2007 Best Value Pensions Direction) are complied with?	
10. Where the staff are to be made redundant, whether you have notified your Pensions Service Centre as soon as possible to ensure the relevant awarding processes are completed on time?	

	<p>11. Is your pension scheme going to be wound up?</p> <p>a. is the employer in relation to your scheme exempted from an employer debt (section 75 of the Pensions Act 1995)? The categories of exemption are set out in regulation 4 of the Occupational Pension Schemes (Employer Debt) Regulations 2005/678, as amended?</p> <p>b. if you consider your employer is not exempt from an employer debt, please contact Cabinet Office Public Bodies Team and, before doing so, take no action which may crystallise the debt?</p> <p>12. Are you aware that you have to keep members notified on a regular basis if the scheme winds up?</p>
	<p>13. Are there finance issues such as deficits which are primarily a financing matter which the public body and/or sponsoring department should be leading on (in conjunction with their relevant Treasury spending team if appropriate)?</p>
	<p>14. Are there changes to the actual pension provision being considered (e.g. moving to defined contribution) as a way of partly addressing funding issues, which are a pensions policy matter currently being considered by the Independent Public Service Pensions Commission (IPSPC) chaired by Lord Hutton?</p>
	<p>15. If there is a defined benefit pension scheme, what is the nature of the scheme i.e. is the scheme a separate one or part of a public service pension scheme (such as the Principle Civil Service Pension Scheme (PCSPS) or Local Government Pension Scheme (LGPS) under admitted body status), a funded scheme that is analogous to a public service scheme or a separate funded private trustee-based scheme?</p>
	<p>16. Does Fair Deal (or other equivalent standard apply) apply? If public service pension scheme members are transferred to an independent sector organisation under TUPE, then Fair Deal (or other equivalent standard) may well apply (and this could involve the new body having to provide benefits which are certified at “broadly comparable” to the ones staff are giving up)?</p>
For bodies being merged:	<p>17. Speaking to the other body involved at the earliest opportunity about pensions?</p> <p>18. Does the government’s policy on the treatment of pensions in staff transfers (“Fair Deal” or equivalent other standard) apply? If so, follow the policy and make the recommended contacts.</p> <p>19. Are there any other employee benefits that might be TUPE-able in a transfer of staff?</p>

Departmental lead contacts for Knowledge Pensions:

[Individual departments to fill in]

Sources of further advice across government

Principle Civil Service Pension Scheme only:

Colin Hennem

colin.hennem@cabinet-office.x.gsi.gov.uk

Phone number: 01256 846131 (GTN: 1439 6131)

Local Government Pension Scheme only:
Workforce, Pay and Pensions team, Department for Communities and Local Government (CLG)
lynda.jones@communities.gsi.gov.uk

Government Actuary's Department
General enquiries about pensions and possible pension liabilities:
enquiries@gad.gov.uk

Enquiries requiring specific pensions actuarial advice
ian.boonin@gad.gov.uk

Enquiries about pensions in transfers of staff:
Staff.transfers@gad.gov.uk

http://www.hm-treasury.gov.uk/tax_pensions_guidance.htm

www.civilservice.gov.uk/Assets/stafftransfers2_tcm6-2428.pdf

11. ASSETS AND LIABILITIES

There are a variety of assets to take care of (e.g. information, furniture, property, ICT equipment, vehicles) and contracts to take care of. Personal Electronic Devices (PEDs) such as laptops and smartphones should be valued both as physical assets and in terms of the information they contain.

	Have you considered...
For bodies being abolished:	1. Minimising the assets held as early as possible?
	2. Considering an appropriate timetable for asset disposal, taking into account the need for the asset during the transition phase and the best time to sell to ensure maximum value in line Managing Public money and linked guidance?
	3. Whether leases that are in place beyond the life of the organisation can be terminated early in a cost efficient way, or whether unoccupied property can be put to alternative use?
	4. The full range of assets that the body holds including information, software, copyright, other forms of intellectual property?
	4. Whether personal electronic devices are recovered from staff to ensure that the information they contain is protected or destroyed?
	6. How to ensure debtors continue to pay amounts due?
For bodies being merged, downsized or abolished:	6. Seeking advice from the Government Property Unit?
	7. Maintaining a detailed and up-to-date asset register, including the projected cost of disposal?
	8. Considering all types of assets, including IT equipment(not forgetting Personal Electronic Devices (PEDs) such as laptops and smartphones), furniture, property, vehicles etc,?
	9. Undertaking an audit of contracts, such as facilities management or IT services, and ascertaining end dates and termination clauses?
	10. Putting controls in place to prevent purchase of new assets or entering into new contracts?
	11. Where liabilities are to be transferred, for example to the sponsor department, agreeing a process for doing so as early as possible?
	12. Following current guidance, such as the Government Property Unit's <i>Civil Estate Coordination Protocol</i> and their <i>Guide for Disposal of Surplus Property</i> ?
	13. Using existing mechanisms to get best value from assets, such as OGC's <i>Furniture Clearing House</i> ?
	14. Ensuring that any disposal of IT assets is done in compliance with disposal standards, including HMG IA Standard 5 - Secure Sanitisation of Protectively Marked Information or Sensitive Information (obtainable from CESG)?
	15. The tax issues associated with the disposal of assets?
16. The accounting arrangements for the disposal or transfer of assets and liabilities, and onerous leases in particular?	

Departmental lead contacts for Assets and liabilities:

[Individual departments to fill in]

Sources of further advice across Government:

[http://www.ogc.gov.uk/documents/CivilEstateCoordinationProtocol.pdf/](http://www.ogc.gov.uk/documents/CivilEstateCoordinationProtocol.pdf)

[http://www.ogc.gov.uk/documents/Guide for disposal of surplus property PDF.pdf](http://www.ogc.gov.uk/documents/Guide_for_disposal_of_surplus_property_PDF.pdf)

http://www.ogc.gov.uk/estate_rationalisation_furniture_clearing_house.asp

12. ICT

The checklist below is intended to highlight the common ICT considerations for any reconfiguration of Government business. It is aimed at managers who might not have specialist ICT skills and is intended to highlight common issues, for example the contractual implications of changing your ICT provision.

The answers to these questions will vary due to the context, size and nature of the reconfiguration. The list of issues covered here is not exhaustive. Equally not all of the issues are relevant to every organisation and not all will need the same type or scale of response. It is open to departments to tailor the checklist to the specific issues in their areas of work and to add departmental specific contacts and guidance.

Please consult your Chief Information Officer/Chief Technology Officer for advice on best practice.

	Have you considered...
For bodies being abolished or merged:	1. How to identify in advance any potential problems arising from the transfer of information between systems, or from the continued use of multiple legacy systems? (a) if the records contain personal data then access to and transfer of these needs to comply with the Data Protection Act; (b) copyright – the receiving organisation has to avoid inheriting any potential copyright infringements. See Link below for advice on Machinery of Government Changes: Guidance on Transfer of Records, Information & Knowledge
	2. How to manage the transfer of electronic records between different systems?
	3. Ensuring that all media used for storing or processing protectively marked or otherwise sensitive information are disposed of or sanitised in accordance with HMG IA Standard No. 5 - Secure Sanitisation of Protectively Marked or Sensitive Information?
	4. Consulting the responsible Chief Information Officer/Chief Technology Officer to ensure best practice is adhered to?
	5. Taking a whole of government approach and discussed with parent departments if ICT contracts can be renegotiated to transfer services where termination costs are significant or best value for money for the taxpayer is achieved?
	6. Whether software licences can be reallocated either within the merged public body or to the sponsoring department if the body is abolished? Are they subject to contractual arrangements?
	7. Whether hardware owned by the public body can be reused?
	8. Whether any IT professionals within the organisation could be redeployed? The IT Profession is currently running a scheme to redeploy IT professionals. Are they subject to contractual arrangements?
	9. If you are using open standards based solutions to reduce potential transition costs?

	10. Assessing and responding to the increased risk to the confidentiality, integrity and availability of data from disaffected employees?
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Departmental lead contacts for ICT:
[Individual departments to fill in]

Sources of further advice across government

http://www.nationalarchives.gov.uk/documents/machinery_of_government.pdf

13. PUBLIC APPOINTMENTS

Public appointees are generally office-holders who are appointed by Ministers to serve in a non-executive capacity on the boards of public bodies. Appointments are made on merit. Many public appointments are regulated by the independent Commissioner for Public Appointments and the selection process must comply with the Commissioner's *Code of Practice*. All public appointees are expected to uphold the highest standards of public life.

	Have you considered...
For bodies being abolished, merged or downsized:	1. What is the impact on the board? Does the board currently have the right mix of skills and experience to drive forward/manage the planned reform?
	2. Will the role of the board change? Will there be a Chair and non-executive members on the board of the new body? If so, what will their role be in the new/reformed organisation? Will you need to recruit new board members?
	3. If recruiting a new Chair or new non-executives, have you spoken to your department's public appointments contacts? Have you spoken to the central Cabinet Office Public Appointments Team?
	4. Recruiting a new Chair or new non-executives – or if re-appointing existing board members – have you reviewed the terms and conditions of appointment? Is any proposed remuneration in line with Cabinet Office rules? Do you need Cabinet Office or HMT approval?
	5. If recruiting a new Chair or new non-executives – or if re-appointing existing board members – is the process subject to regulation by the Office of the Commissioner for Public Appointments? If so, is the process compliant with the Commissioner's <i>Code of Practice</i> ?

Departmental lead contacts for Public appointments:

[Individual departments to fill in]

Sources of further advice across government

<http://www.cabinetoffice.gov.uk/content/public-bodies-and-appointments>

<http://www.publicappointmentscommissioner.org>

<http://www.direct.gov.uk/publicappointments>

<http://publicappointments.cabinetoffice.gov.uk>

14. MOVING FUNCTIONS INTO A DEPARTMENT

Public bodies exist either to carry out functions on behalf of, or provide advice to, government. In certain circumstances, functions might transferred from a public body into a Government department.

Have you considered...
1. What resources already exist within the department to carry out transferring functions? ⁴
2. Whether staff will have to transfer from the public body in order to allow continued delivery of those functions? ⁵
3. How to minimise increases to the civil service headcount whilst ensuring that functions can be carried out effectively? ⁶
4. Whether the department will require additional infrastructure in order to deliver those functions, such as IT systems or property? ⁷
5. How to transfer necessary data from the body to the department? ⁸
6. How to ensure that senior officials and ministers understand their new obligations? ⁹
7. Have the assets and liabilities have been transferred at the correct value? ¹⁰

15. BECOMING AN EXECUTIVE AGENCY

Executive agencies are defined business units that form part of a Government department. They operate with a degree of autonomy from Ministers and the main department. Ministers do not concern themselves with the day to day running of Agencies but are directly accountable to Parliament and the public for the overall performance of Agencies and for their continued existence. Executive agencies typically deliver a service, do not have a separate legal personality and are staffed by civil servants.

Have you considered...
1. Preparing a business case and consulting HM Treasury and Cabinet Office (who will need to approve any proposals for new Agencies)?
2. Preparing a framework document setting out the agency's governance and the responsibilities of all relevant parties, such as ministers, the chief executive, HM Treasury spending team, and others? ¹¹
3. Preparing an initial corporate and business plan?
4. Ensuring sponsorship arrangements are clearly defined within the department?

⁴ See 2, People issues

⁵ As above

⁶ As above

⁷ See 11, Assets and liabilities

⁸ See 9 Knowledge transfer

⁹ See 3, Communications

¹⁰ See 7, Accounting & 11, Assets and liabilities

¹¹ See 1, Governance

5. The changing role of the organisation's board as it moves to agency status? (Cabinet Office can advise on this) ¹²
6. Building an appropriate review process into the agency from the start?
7. Where to go for guidance? E.g. http://www.civilservice.gov.uk/Assets/exec_agencies_guidance_oct06_tcm6-2464.pdf

16. MERGING ORGANISATIONS

Public bodies exist either to carry out functions on behalf of, or provide advice to, government. In certain circumstances, for example in order to secure better value for money for the taxpayer or to prevent duplication of functions, a decision might be taken to merge together public bodies – particularly if they are closely aligned in terms of policy or subject matter.

Have you considered...
1. If this involves a significant reorganisation, preparing a business case?
2. If the new organisation is an Agency or NDPB, have you consulted HMT and CO (who will need to approve the new proposals and can provide advice)?
3. Getting parliamentary approval for the new body to spend?
4. What issues are involved in merging boards/setting up a new board/appointment a new Chair and board members?
5. How to establish Prior Year Comparators for the new body's costs?
6. Ensuring chief executives and senior management of the two organisations have the opportunity to talk to each other early on in the process?
7. Initiating ways of allowing operational staff to form relationships before the merger goes ahead?
8. How to manage the process of merging payroll and other HR systems? ¹³
9. How to manage the transfer of data between IT systems? ¹⁴
10. The issues associated with pay or pensions harmonisation? ¹⁵
11. How to minimise upfront costs, e.g. making use of existing branded materials rather than re-branding all property? ¹⁶

17. MOVING TO CHARITABLE STATUS

Use the Charity Commission to help change status to a charity.

Have you considered...
1. Have you considered consulting HM Treasury on public/private issues and Cabinet Office on whether the new body will still sit within the central government sector?
2. Ensuring that the proposed new body fits the criteria for becoming a charity?
3. Whether the body would need to register as a charity or whether it is exempt?

¹² See 1, Governance and 13, Public appointments

¹³ See 2, People issues and 12, IT

¹⁴ See 9, Knowledge transfer and 12, IT

¹⁵ See 8, Financial management, 2, People issues and 11, Assets and liabilities

¹⁶ See 8, Financial management

4. The appropriate governance structure for the charity?
5. The status of public appointees to the existing body and how their role may change upon moving to charitable status? ¹⁷
6. Whether and how staff can transfer to the charitable organisation? ¹⁸
7. Where to go for advice? (e.g. http://www.charity-commission.gov.uk/Charity_requirements_guidance/default.aspx)

18. ABOLISHING A BODY THAT IS ALSO A COMPANY LIMITED BY GUARANTEE

Some public companies are constituted as companies limited by guarantee. A limited company can request to be closed / dissolved under Section 1003 of the Companies Act 2006, providing that it meets all of the following requirements:

- Not traded within the last 3 months
- Not changed the company name within the last 3 months
- Is not subject to any legal proceedings, current or proposed
- Has not made a disposal for value of property or rights

Companies House provide guidance to help you with this (see link below)

Have you considered...
1. What closure options will be used, e.g. a strike off?
2. Where to go for advice? (e.g. http://www.companieshouse.gov.uk/infoAndGuide/windingUpCompany.shtml)

19. RECONSTITUTING SCIENTIFIC ADVISORY COMMITTEES

It has been agreed that a number of Scientific Advisory Committees (SACs) that are currently advisory NDPBs will be reconstituted as departmental committees. This change should not compromise the independence of the advice that the committee offers and, as at present, all SACs, whether NDPBs or not, should work in line with the Principles of Scientific Advice to Ministers and with the Code of Practice for SACs (CoPSAC).

¹⁷ See 13, Public appointments

¹⁸ See 2, People issues

The following points should be considered. If you have any questions then please contact your departmental Chief Scientific Adviser or colleagues from the Government Office for Science (GO-Science) identified below.

Have you considered...
1. Consulting Cabinet Office on the different forms of advisory bodies – and the pros and cons of each?
2. If the body provides scientific advice, how to ensure that you are adhering to the Principles of Scientific Advice to Government and the Code of Practice for Scientific Advisory Committees (CoPSAC)?
3. If the body provides scientific advice, discussing reforms with the departmental Chief Scientific Adviser?
4. Whether it would be appropriate to create an overarching departmental Scientific Advisory Council?
5. Whether there is an escalation route in place to ensure advice from scientific advisory committees can be submitted directly to Ministers (as required by the Principles)?
6. How to ensure that committees are not reconstituted in a way that is at odds with the Cabinet Office guidance on what defines an NDPB? (see http://www.civilservice.gov.uk/about/resources/public-bodies.aspx)
<u>Contacts:</u>
<u>GO-Science – Science in Government</u>
Alison Wright alison.wright@bis.gov.uk Stuart Sarson stuart.sarson@bis.gsi.gov.uk

20. MUTUALS

The opportunity to mutualise is established by the ‘Right to Provide’ policy – a new right for public sector workers to apply to form an employee-led organisation to take over the services they deliver. Mutuals offer improved organisational performance and efficiency through greater employee productivity, as responsibility for delivery is devolved to employees with greater scope for innovation. The policy is not limited to specific legal forms or ownership structures; organisations can adopt a range of models, from charities and social enterprises, to for-profit businesses and joint ventures with commercial providers. Mutualisation could also apply to the whole organisation or to distinct business units.

Employees interested in forming a mutual will have to work with their Departments or public bodies through an assurance and approval process to establish that mutualisation will further efficiency and reform objectives, and that appropriate safeguards are in place to ensure the continued provision of high-quality and accountable services. Ultimately the Secretary of State in each Department or the governing board of each public body will decide whether to accept and support a proposal to mutualise.

Have you considered...
1. Preparing an initial corporate and business plan (including the proposed business model)

of the new organisation, and which services, duties and Service Level Agreements it will deliver)? ¹⁹
2. Preparing a framework document setting out the new organisation’s governance and the responsibilities of all relevant parties, such as ministers, the chief executive, HM Treasury spending team, and others? ²⁰
3. Ensuring that the proposed new body fits the criteria for becoming a charity (if appropriate)?
4. Preparing a transition plan? ²¹
5. Whether the body would need to register as a charity or whether it is exempt (if appropriate)?
6. The appropriate governance structure for the charity (if appropriate) ²² ?
7. The changing role of the organisation’s board as it moves to its new status? ²³
8. Whether and how staff can transfer to the new organisation? ²⁴
9. Whether and how assets will be transferred or leased to the new organisation? ²⁵
10. Where to go for advice and guidance? (e.g. Cabinet Office framework guidance for departments on establishing mutuals, departmental processes for considering applications for mutualisation)?
Departmental lead contact(s) for Assets and liabilities [Individual departments to fill in]:
<p>Sources of further advice across government Name: Tom Shirley, Cabinet Office E-mail: Tom.Shirley@cabinet-office.x.gsi.gov.uk Phone number: 0207 276 1418 Mutuals information service: www.local.gov.uk/mutuals Helpline: 0207 296 6705 or mutuals@local.gov.uk</p>

¹⁹ See 3, Communications and stakeholder relations, 4, Impact assessment, 5, Legal, EU and devolution issues, 7, Accounting, 8, Financial management

²⁰ See 1, Governance

²¹ See 6 Operations, 7, Accounting, 8, Financial management

²² See 1, Governance

²³ See 1, Governance, 13, Public appointments

²⁴ See 2, People issues, 10, Pensions

²⁵ See 9, Knowledge transfer, 11, Assets and liabilities, 12, IT