EXPLANATORY DOCUMENT TO

THE PUBLIC BODIES (ABOLITION OF THE NATIONAL CONSUMER COUNCIL AND TRANSFER OF THE OFFICE OF FAIR TRADING'S FUNCTIONS IN RELATION TO ESTATE AGENTS ETC) ORDER 2014

2014 No [xxxx]

1. This explanatory document has been prepared by the Department for Business, Innovation and Skills ("BIS") and is laid before Parliament under section 11(1) of the Public Bodies Act 2011 ("PBA").

2. Purpose of the instrument

2.1 This instrument has three main purposes:

(A) the abolition of the National Consumer Council ("the NCC") and the transfer of relevant functions to Citizens Advice, Citizens Advice Scotland ("the Citizens Advice services") and the General Consumer Council for Northern Ireland ("GCCNI"). We have referred to these bodies collectively, in the amended legislation, as the "consumer advocacy bodies". The proposed date of abolition and transfer is 1 April 2014;

(B) the transfer of the Office of Fair Trading's ("OFT") estate agency functions to Powys local weights and measures authority ("Powys trading standards") and the Commissioners of Her Majesty's Revenue and Customs ("HMRC"). The proposed date of transfer is 31 March 2014; and

(C) the transfer of functions of the OFT relating to its consumer advice scheme to Citizens Advice and Citizens Advice Scotland on 1 April 2014. The OFT consumer advice scheme (which was known as "Consumer Direct") was transferred to Citizens Advice and Citizens Advice Scotland under the Public Bodies (The Office of Fair Trading's Transfer of Consumer Advice Scheme Function and Modification of Enforcement Functions) Order 2013 (SI 2013/783) ("the first Public Bodies Act Order") A few remaining connected functions should also transfer as they should be conferred on the Citizens Advice services, who are now supporting the relevant consumer advice scheme formerly operated by the OFT. The relevant information in relation to this policy, including the consultation and impact assessment, is contained in the Explanatory Document to the first PBA Order.[1]

2.2 Two transfer schemes relating to the measures in this instrument will be laid before Parliament ahead of the requisite Parliamentary debates as set

[1] http://www.legislation.gov.uk/ukdsi/2013/9780111532270

out in section 24(1) of the PBA. A copy of the draft transfer scheme dealing with the abolition of the NCC, in draft, is attached to this Order at Annex D to assist the Committee. This document will be revised further in advance of abolition, but is provided to explain the scope of the scheme.

2.3 A copy of the draft transfer scheme dealing with the transfer to Powys trading standards, in draft, is also attached to this Order at Annex E to assist the Committee. This document may be revised further in advance of the transfer, but is provided to explain the scope of the scheme.

2.4 This is an order which contains provisions relating to an entry in both Schedule 1, a Minister may by order abolish a body or office and Schedule 5, a Minister may by order modify or transfer functions, of the PBA. In accordance with section 11(2)(c) of the PBA, the Minister confirms that he considers this appropriate because the draft Order, which implements the reforms set out above, is part of a suite of measures taken following a review of the landscape of consumer bodies by the Department in 2012 which will:

- Reduce the complexity of the consumer landscape;
- Strengthen the effectiveness of consumer enforcement;
- Ensure more cost-efficient delivery, closer to the consumer front line.

2.5 This order contemplates the abolition of the statutory body currently called 'Consumer Futures' but called 'Consumer Focus' in recent times. To avoid confusion this organisation will be referred to by its legal name 'The National Consumer Council', or the NCC, throughout.

2.6 The following detailed measures have been put in place over the last two years to implement reforms to the landscape of Government-funded consumer organisations:

- The National Trading Standards Board (NTSB) was created in April 2012, taking administrative responsibility for prioritising national and cross-local authority boundary consumer enforcement. The Convention of Scottish Local Authorities set up Trading Standards Scotland in April 2013 to oversee the reform of Scottish trading standards services.
- The consumer telephone helpline, Consumer Direct, was transferred from the OFT to Citizens Advice and Citizens Advice Scotland in April 2012. This was done through the first PBA Order.
- Citizens Advice and Citizens Advice Scotland became responsible for consumer-facing education from April 2013.
- The Trading Standards Institute (TSI) became responsible for most business-facing education from April 2013.

- Consumer Futures was launched in May 2013 to represent consumer interests in gas, electricity and postal services. (The NCC was reorganised and rebranded from Consumer Focus to Consumer Futures in May 2013.)

- Citizens Advice and Citizens Advice Scotland took over responsibility as the consumer advocate on general matters from the NCC in April 2013.

- TSI launched a successor to the OFT's Consumer Code Approval Scheme in June 2013.

- An overarching Consumer Protection Partnership ("CPP") group, consisting of the publicly-funded consumer bodies within the reformed landscape was set up in April 2012. Partners collectively identify issues causing consumer detriment, and agree priorities for collaborative action.

- In April 2014 the OFT and Competition Commission ("CMA") will be replaced by the Competition and Markets Authority, who will act as UK's single competition authority with a duty to seek to promote competition for the benefit of consumers. These changes are being made under the Enterprise and Regulatory Reform Act 2013. The CMA has been operating in shadow form since October 2013.

2.7 These changes, alongside the overall programme of changes, were set out in the Explanatory Document to the first PBA Order. Except where we have said otherwise, these changes have been brought in through administrative measures.

2.8 The abolition of the NCC and the transfer of its relevant functions to the Citizens Advice service and GCCNI, and the transfer of OFT's estate agency functions, under this Order, complete the institutional and statutory changes to the consumer landscape.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative context

Public Bodies Act 2011 ("the PBA") - the abolition of the National Consumer Council and the transfer of functions from the Office of Fair Trading.

4.1 The PBA confers powers on Ministers to abolish, merge and modify the functions, funding and constitutional arrangements of certain bodies and offices listed in the Schedules to the Act.

4.2 Section 1(1) of the Act enables Ministers, by order, to abolish bodies specified in Schedule 1, which includes the NCC and under section 1(2) allows for the transfer of functions from the body being abolished to "eligible bodies".

4.3 Section 5(1)(b) of the Act enables Ministers, by order, to transfer functions of bodies in Schedule 5, which includes the OFT, to "eligible bodies".

4.4 "Eligible bodies" includes a Minister, Scottish Minister, a Northern Ireland department, Welsh Ministers, any other person exercising public functions, and charitable incorporated organisations. All the bodies receiving functions in this instrument are eligible bodies within the meaning of PBA.

4.5 Section 6(1) allows an order under sections 1 and 5 to make consequential, supplementary, incidental or supplementary provisions and section 35(2) allows a repeal, revocation or amendments to an enactment (which means any primary or secondary legislation, including any Act, Act of the Scottish Parliament, Northern Ireland legislation or a Measure or Act of the National Assembly for Wales).

(A) Abolition of the National Consumer Council and transfer of its functions

4.6 The NCC was established as a statutory body by the Consumers, Estate Agents and Redress Act 2007 ("CEARA"). In operational terms it was known as Consumer Focus, changing its name to Consumer Futures in May 2013 to reflect its changed role to that of a regulated industries unit.

4.7 CEARA charged the NCC to deal with both general consumer advocacy matters and sectoral advocacy matters relating to the regulated gas, electricity and postal services sectors. This involved representing the interests of consumers in these sectors, both in relation to current problems and future threats. The NCC was formed from a merger of the National Consumer Council, Energywatch and Postwatch, combining bodies dealing with general consumer advocacy and advocacy on the regulated gas, electricity and postal services markets. CEARA also contained provisions to transfer the Consumer Council for Water, the consumer advocate for water customers in England and Wales, into the NCC at a later date. NCC's role was subsequently widened by a Scottish Act of Parliament, the Public Service Reform (Scotland) Act 2010 (asp 8), to include responsibility for advocacy on water issues in Scotland. Consumer advocacy is the process by which key issues for consumers are identified and then represented on behalf of consumers to business, Government, regulators and international bodies.

4.8 CEARA provided the NCC with a number of functions to enable it to perform as an effective consumer advocate. It was given representative and research functions (sections 8 and 9) and a function to disseminate advice and information (section 10). It was also given general powers of investigation (section 11) and the ability to investigate complaints from vulnerable

designated consumers (section 12). "Designated consumers" were subsequently defined as gas, electricity and postal services consumers, reflecting the organisation's role in these markets. The NCC was also given a duty to investigate consumer complaints relating to the disconnection, or the threat of disconnection, from the gas or electricity supply (section 13).

4.9 The NCC also has a duty under section 19A to give guidance to consumers in relation to energy matters. In addition, it is required to enter into cooperation arrangements with relevant regulators, Ofgem, Ofcom and the OFT. The requirement to enter into cooperation arrangements specifically with the Financial Conduct Authority ("FCA") were removed by the Financial Services Act 2012, though that Act did insert a provision into the Financial Services and Markets Authority Act 2000 for the appointment of consumer representatives to its consumer panel[2].

4.10 Section 24 of CEARA gives the NCC a power to require information by notice from certain regulators and any person who supplies goods or services in the course of a business. If a person fails to comply with a notice, the NCC can refer the matter to the appropriate regulator for enforcement, or where there is no such regulator, to the courts.

4.11 With regards to Wales and Scotland, sections and 1 and 2 of CEARA set out requirements of the NCC to have and maintain territorial committees in Scotland and Wales. In addition, the NCC deals with the interest of consumers in relation to postal matters in Northern Ireland and is also tasked with maintaining a territorial committee to deal with postal matters in Northern Ireland.

4.12 A number of pieces of legislation specify that regulators must consult with the NCC in order to ensure consumer interests are properly represented in regulatory matters. There are therefore a number of references to the NCC in other legislation, including the Gas Act 1986, the Electricity Act 1989, the Water Industry Act 1991, Postal Services Act 2000, Warm Homes and Energy Conservation Act 2000, the Utilities Act 2000 and the Communications Act 2003.

4.13 CEARA provides that work that the NCC carries out on the regulated products of the regulated gas, electricity and postal services industries is funded by a levy from energy and postal licence holders. This order will amend the relevant provisions of the Utilities Act 2000 and the Postal Services Act 2011 to allow the levies to be applied to the transferees, (Citizens Advice, Citizens Advice Scotland and GCCNI) in relation to these matters.

4.14 CEARA also makes provisions enabling the NCC to make payments from levy money for legacy pensions relating to staff from the predecessor bodies Energywatch and Postwatch. The amendments will ensure that the ability for these legacy pensions to be paid from levy monies, as they are now, are to be transferred to Citizens Advice Services and GCCNI by this order.

[2] See section 1Q of the Financial Services and Markets Act 2000 (c. 8)

4.15 Section 17 of the Communications Act 2003 requires Ofcom to appoint a member of the NCC on Ofcom's Consumer Panel, in order to ensure that consumer interests in communication issues are properly considered. There is currently a proposal to provide Ofcom with greater flexibility to set out its governance structures and processes, with the approval of the Secretary of State for Culture, Media and Sport, to ensure changing consumer interests and needs are met. These amendments are contained in the draft Public Bodies (Modification of Functions of OFCOM) Order 2013 which is currently before Parliament. We have drafted our Order taking into account the changes proposed by the Department of Culture Media and Sport's Order.

4.16 A more detailed breakdown of the legal provisions of the draft Order in relation to the abolition of the NCC and the transfer of functions are set out at Annex A to this Explanatory Document.

4.17 We are providing with this Order a draft transfer scheme relating to the transfer of assets and liabilities from the NCC to the consumer advocacy bodies. The latest version of this scheme will be laid before Parliament for the debates to discuss the Order and a final version will be laid once the Order comes into force. However, we thought it would be helpful to provide a "schedule" of the transfer scheme in so far as it has been developed to date. A copy has therefore been submitted to the committee with this Explanatory Document (Annex D).

(B) Transfer of the OFT's Estate Agency functions

Estate Agency Act 1979

4.18 The Estate Agency Act 1979 ("EAA") creates a negative licensing regime for estate agents, conferring enforcement powers on the OFT, trading standards and the Department of Enterprise, Trade and Investment in Northern Ireland ("DETINI"), although only the OFT has the power to:

- issue prohibition orders preventing persons in any part of the UK from acting as estate agents (section 3);
- issue warning orders identifying behaviour that, if continued, may lead to a prohibition order (section 4);
- consider applications to vary or revoke such orders (section 6);
- maintain a register of such orders (section 8);
- obtain information by compulsion (section 9);
- exempt estate agents from the duty to obtain insurance for client's money (section 17; not in force);
- approve redress schemes (section 23A and paragraph 1 of Schedule 3); and
- withdraw approval of redress schemes (paragraph 10 of Schedule 3).

4.19 There are two approved redress schemes: one operated by The Property Ombudsman and the other by The Surveyors Ombudsman Service. All estate agents must belong to one of the schemes.

4.20 The OFT has the sole duty to superintend the EAA, to provide advice to the Secretary of State and the public about estate agency work and the operation of the EAA (section 25).

4.21 This instrument will transfer all of the powers currently held by the OFT alone to a lead enforcement authority, Powys trading standards, who were appointed through a competitive exercise to become the centre of excellence on estate agency enforcement.

4.22 Schedule 2 of this instrument amends the EAA to effect the transfer from the OFT to Powys trading standards and makes consequential amendments to primary and secondary legislation. The consequential amendments fall into two categories: ensuring that Powys trading standards benefit from the same information sharing gateways that the OFT had for the purposes of enforcing the EAA and ensuring that they are subject to the same duties as the OFT when hearing applications to vary or revoke warning and prohibition orders in enforcing the EAA. Part 4 of the Schedule makes transitional provision and savings.

Money Laundering Regulations 2007("the MLRs")

4.23 The Money Laundering Regulations 2007 confer on the OFT supervisory responsibility for estate agents and consumer credit financial institutions.

4.24 As the supervisor of estate agents, the OFT is under a duty to:

- effectively monitor estate agents and secure their compliance with the MLRs (regulation 24(1)); and
- notify the Serious Organised Crime Agency if it suspects money laundering or terrorist financing (regulation 24(2)).

4.25 The OFT also has a power, which it actively exercises, to maintain a register of estate agents (regulation 32(3)). As a result, only those who are registered can carry on business as an estate agent (regulation 33) and the OFT:

- has the power to stipulate how an application to be registered is to be made (regulations 27 and 34(2));
- has the power to refuse applications to be registered and to cancel registrations (regulations 34(3) and (7));
- where it refuses to register or cancels a registration, is under a duty to provide a notice of its proposal and allow a period for representations to be made (regulations 34(4) and (8)); and
- is under a duty to provide a notice of its decision following such a proposal.

4.26 In addition, regulation 35(1) provides the OFT with a power to make a charge for those it supervises and for applications to be registered, which it actively uses in order to cover the cost of operating the scheme.

4.27 Regulation 42(1) also provides the OFT with a power to impose civil penalties for breaches of the MLRs. Where it proposes to do so it must serve a notice of its proposal, allowing a period for representations before issuing a decision notice, which is set out in regulations 42(5) to (7).

4.28 In carrying out its enforcement function, the OFT also has powers to require information from and attendance of relevant and connected persons (regulation 37(1)), enter premises (regulations 38 and 39) and can authorise trading standards officers and officers of DETINI to carry out those actions for them (regulation 41). Again, these powers are actively exercised and the OFT work closely with trading standards to carry out this activity.

4.29 Finally, where the OFT refuses to register an estate agent, cancels their registration or imposes a civil penalty, there is a right of appeal to the Consumer Credit First-tier Tribunal (regulation 44).

4.30 This instrument will transfer the OFT's functions as the supervisor of estate agents in relation to the MLRs to HMRC. HMRC is already a supervisor under the MLRs for a number of business types, including high-value dealers and money service businesses. The MLRs already, therefore, refer to HMRC and the transfer of supervision of estate agents from the OFT to HMRC will only require minor amendments to regulation 23 (reallocating estate agents to the supervision of HMRC) and regulation 32 (creating a power for HMRC to maintain a register for estate agents). Whilst this instrument does not make any further change to the text of the MLRs, there are two further changes to note which will take place as a result of the transfer.

4.31 Firstly, whereas appeals against the OFT's decisions are currently made under regulation 44 to the Consumer Credit First-tier Tribunal, all appeals against decisions made by HMRC in enforcing the MLRs are made to the Tax First-tier Tribunal under regulation 43. This instrument does not amend this arrangement as the transfer of responsibility for supervising estate agents from the OFT to HMRC, has the effect that all appeals by estate agents will be made under regulation 43 to the Tax First-tier Tribunal. Her Majesty's Courts and Tribunal Service is aware of and content with these changes.

4.32 Secondly, the OFT have the option of authorising trading standards officers and officers of DETINI to carry out certain enforcement functions on their behalf. HMRC do not require this power as they operate teams of compliance officers with similar powers who will carry out this function. This instrument will not, therefore, make any changes to regulation 41 as HMRC do not need to be inserted into this regulation.

4.33 Schedule 3 of this instrument amends the MLRs to effect the transfer, ensures that HMRC benefits from the same information sharing gateways that OFT had for the purposes of enforcing the MLRs and makes relevant

transitional provision and savings. In particular, it makes transitional provision for appeals and appeal rights to move from the Consumer Credit First-tier Tribunal to the Tax First-tier Tribunal.

4.34 In parallel, a series of Orders is being laid by Her Majesty's Treasury ("HMT") which will transfer the supervision of consumer credit financial institutions to the FCA. HMT's Orders will amend the MLRs, including deleting references to the OFT and substituting the FCA for the OFT in relevant provisions. This includes substituting the FCA for the OFT in regulation 41 as the FCA wish to maintain the power to authorise trading standards officers and officers of DETINI to carry out enforcement activities on their behalf.

4.35 A more detailed breakdown of the provisions of the draft Order in relation to the transfer of the OFT's estate agency functions are set out at Annex B to this Explanatory Document.

(C) Transfer of the OFT's functions relating to the OFT's consumer advice scheme

4.36 The CEARA contains a number of functions of the OFT which relate to the OFT's former consumer advice scheme functions. Those functions, in particular section 33 (supplementary provision about transition and abolition orders) and section 49 (approval of redress schemes) are to transfer to Citizens Advice and Citizens Advice Scotland. These functions are connected to the function of supporting a consumer advice scheme and include the functions of receiving information from other bodies and receiving monies in relation to the consumer advice scheme. As we have said, the main function of supporting a consumer advice scheme was transferred under the first PBA Order from the OFT to Citizens Advice and Citizens Advice Scotland. As these remaining functions are connected to that initial transfer under the first PBA Order they should now transfer to Citizens Advice services. Schedule 1 to the order makes other consequential amendments to the legislation as a result of these transfers.

Third Party Consent to the Order

Devolved Nations consent under the Public Bodies Act 2011

4.37 BIS has consulted the Scottish Government, Welsh Assembly and Northern Ireland Assembly throughout the process of policy development and drafting of the Order. Officials have worked together to ensure that the legislation meets the individual needs of the devolved administrations and adheres to requirements under section 9 of the PBA.

4.38 Consumer protection is reserved in relation to Scotland. However, we are proposing to transfer functions to Citizens Advice Scotland under Scottish legislation and make consequential amendments to that legislation. In particular, legislation dealing with Scottish Water, the Freedom of Information (Scotland) Act 2002, and the Housing (Scotland) Act 2006. Citizens Advice

Scotland is a cross departmental public body in Scotland, which means that the Scottish Government can also confer functions on this body. We are therefore required under section 9(1) of the PBA to seek the consent of the Scottish Parliament for this instrument, and officials are already primed to carry out this process once this instrument is laid.

4.39 Although postal services are a reserved matter, consumer protection falls within the legislative competence of Northern Ireland. This instrument will also amend the functions of the GCCNI, a statutory body of the Department of Enterprise, Trade and Investment Northern Ireland (DETINI) as set out in Schedule 1 Part 1 and Part 3 of the draft Order. Accordingly, as required by section 9(3) of the PBA, the UK Government will be seeking the consent of the Northern Ireland Assembly for this instrument. Again, officials are primed to take this forward once this instrument is laid.

4.40 Consumer protection is not devolved in relation to Wales and the consent of the Welsh Assembly is not, therefore, required under section 9(6) of the PBA. No changes are proposed to Welsh Language provisions under this Order.

Her Majesty's Treasury consent under the Public Bodies Act 2011

4.41 Under section 6(4) of the PBA, Her Majesty's Treasury (HMT) is required to agree to any modification of funding arrangements which apply to the parties affected by this Order; HMT consent has been given. These modifications are:

- BIS's power to collect industry funding for the discharge of the NCC's duties will be transferred to Citizens Advice, Citizens Advice Scotland and the GCCNI;

- the introduction of a grant making power for monies to be paid to the consumer advocacy bodies in relation to the functions conferred. This will operate alongside an existing grant making power in s274 of the Enterprise Act 2002;

- funding for the OFT's enforcement of negative licensing and approval of redress schemes will be redirected from central baseline funding to Powys trading standards; and

- the OFT's power to impose charges on industries for supervision of the MLRs will be removed. HMRC already possess this power, and will apply it to the estate agency industry.

Ministry of Justice Consultation under Justice Impact Test

4.42 Section 10(1)(f) of the PBA requires consultation with the Lord Chief Justice where the proposed changes to functions impact on the administrative delivery arrangements of justice. The Lord Chief Justice has agreed to the following modification:

- where there are appeals to HMRC decisions relating to the register under the MLRs, these will be heard at the First-tier Tribunal (Tax), instead of the First-tier Tribunal (Consumer Credit).

5. Territorial Extent and Application

5.1 This instrument applies to the United Kingdom.

6. European Convention on Human Rights

6.1 Jo Swinson MP, Parliamentary Under-Secretary of State for Employment Relations and Consumer Affairs has made the following statement regarding Human Rights:

> "In my view the provisions of the Public Bodies (Abolition of the National Consumer Council and Transfer of the Office of Fair Trading's Functions in Relation to Estate Agents) Order 2014 are compatible with the European Convention on Human Rights."

7. Policy Background

What is being done and why

7.1 In June 2011 the National Audit Office published a report on "Protecting Consumers – the system for enforcing consumer law" which estimated that consumers suffer detriment of at least £6.6 billion every year[3]. It also identified a lack of clear lines of responsibility between enforcement agencies to tackle this.

7.2 In parallel, in June 2011, the Government consulted on proposed reforms[4] to the existing institutional arrangements to ensure that consumer advice, representation and enforcement were delivered effectively and efficiently. These proposals were guided by three objectives:

- Reducing the complexity of the consumer landscape.
- Strengthening the effectiveness of consumer enforcement.
- More cost-efficient delivery, closer to the consumer front line.

7.3 In addition Ministers recognised that the NCC performed technical functions with respect to the regulated gas, electricity and postal services sectors and that operation at arm's length from Government would be essential as the body was intended to speak for consumers and must be in a position to critique public policy on their behalf. The body also acted independently to

[3] NAO (2011) *Protecting consumers – the system for enforcing consumer law* http://www.nao.org.uk/publications/1012/protecting_consumers.aspx
[4] Ibid. Para 7. Page 6.

establish facts to build compelling arguments to support its work as consumer advocate. The Government's preference therefore was to pass responsibility for these functions to the Citizens Advice services, rather than bringing them back to a Whitehall Department.

7.4 The proposed options to achieve these objectives were Impact Assessed in March 2012, enabling the Government to assess the relevant evidence on the positive and negative effects of each of its proposed solutions.

7.5 A copy of the final Impact Assessments have been submitted with this document.

7.6 As a result, following consultation and impact assessment, in April 2012 the Government announced a suite of reforms to the consumer and competition landscape. These are set out in the table below, followed by a fuller rationale for the reforms:

Reform	Date Implemented	Enabler
The National Trading Standards Board created, taking administrative responsibility for prioritising national and cross-local authority boundary enforcement.	April 2012	Administrative reforms as set out in "Empowering and Protecting Consumers"
The Consumer Protection Partnership, consisting of the publicly-funded consumer bodies within the reformed landscape, set up to collectively identify issues causing consumer detriment, and agree priorities for collaborative action.		
Transfer of the OFT Consumer Direct telephone helpline to Citizens Advice and Citizens Advice Scotland. Now operating as the Citizens Advice Consumer Service helpline.		
Citizens Advice Service became responsible for consumer-facing education and advocacy on general consumer issues.	April 2013	The Public Bodies (The Office of Fair Trading Transfer of Consumer Advice Scheme Function and Modification of Enforcement Functions) Order 2013
Transfer from the OFT to Trading Standards the duty to enforce the vast majority of consumer protection legislation.		
TSI became responsible for most business-facing education.	April 2013	Administrative reforms as set out in "Empowering and Protecting Consumers"
Consumer Futures (the	May 2013	

rebranded NCC) launched to represent consumer interests in gas, electricity and postal services		
The Trading Standards Institute ("TSI") launched successor to the OFT's Consumer Code Approval Scheme	June 2013	
Abolition of the OFT and the transfer of most of its remaining functions to the Competition and Markets Authority	April 2014	Enterprise and Regulatory Reform Act 2013

7.7 The Public Bodies (The Office of Fair Trading Transfer of Consumer Advice Scheme Function and Modification of Enforcement Functions) Order 2013 (SI 783/2013) ("the first PBA Order") was the first tranche of changes to legislation required to implement the reforms to the consumer landscape through:

- recalibrating the powers and duties of the OFT enabling trading standards to take the lead in consumer enforcement; and
- transferring the consumer advice scheme function from the OFT to Citizens Advice[5] and Citizens Advice Scotland.

7.8 This is the second and final Order being made by BIS under the PBA in this area and completes the institutional changes to the consumer landscape.

(A) Abolition of the NCC and transfer of its functions

7.9 The Government response to the consultation on consumer landscape reforms set out the benefits of bringing together the technical expertise of the NCC and the research it undertakes with the information gathered by Citizens Advice bureaux and advice helplines. In Northern Ireland, where consumer policy is transferred, the proposal was to transfer responsibility for postal services advocacy to the General Consumer Council for Northern Ireland (GCCNI), which, as we have said, already had responsibility for advocacy on wider consumer issues and specific sectoral areas. Citizens Advice and Citizens Advice Scotland are charities and GCCNI is a Non-Departmental Public Body funded by DETINI.

7.10 The Government adopted a phased approach to the changes to ensure continuity and capability during a time of economic uncertainty and to allow Citizens Advice and Citizens Advice Scotland to bed into their new roles. Once complete these changes will make both charities the publicly funded

[5] Operating in England and Wales

independent voice of consumers, for the first time bringing together the provision of information and advice with consumer advocacy of both general and certain regulated sectors. In addition, these reforms will deliver on the Government's commitment to give the voluntary and social enterprise sector a much greater role in the running of public services.

7.11 The first PBA Order put in place the first tranche of these proposed changes. It enabled Citizens Advice and Citizens Advice Scotland to take on responsibility for the former Consumer Direct advice line service and so position them as the central bodies in England, Wales and Scotland providing independent education, information and advice to consumers.

7.12 Citizens Advice has already taken on the role of the main provider of general advocacy work. This was a role it already carried out but which has been enhanced. The NCC has become a more focused regulated industries unit dealing with consumer advocacy in relation to energy and postal services, and in Scotland in relation to water.

7.13 This small, technical regulated industries unit was rebranded as Consumer Futures in May 2013. It is proposed that it should transfer to Citizens Advice and Citizens Advice Scotland on 1 April 2014.

7.14 This second PBA Order in the context of the consumer landscape changes seeks to ensure the transfer of relevant statutory functions to Citizens Advice, Citizens Advice Scotland and GCCNI so that they can take on the sectoral advocacy functions.

7.15 The Order will also equip those bodies to carry out the NCC's role on general consumer advocacy, in particular through the transfer of the information requesting powers in section 24 of CEARA. Throughout the consultation on these changes there was overwhelming support that the new consumer advocacy bodies (Citizens Advice, Citizens Advice Scotland and GCCNI) should hold such powers. It was noted that although these powers are not used regularly, the threat of their existence gives them an important tool in obtaining key information.

7.16 The name 'Consumer Futures' will continue to be used to describe the unit as it operates within and as part of Citizens Advice and Citizens Advice Scotland. At the same time as these functions transfer, key personnel and information will move across from the NCC as set out in the transfer scheme that accompanies this Order. As stated above, the NCC's statutory functions, powers and duties will be transferred in such a way as to enable the bodies to operate as an agile single virtual organisation, with the ability to collaborate and share resources and information seamlessly to act as an effective advocate for consumers on regulated and non-regulated sectors. The bodies will be able to work flexibly to discharge the duties placed upon them.

7.17 It was suggested in the 'Empowering Consumers' consultation that one single consumer advocacy body be formed to represent all regulated sectors and the Government remains of the view that a cohesive approach to consumer

advocacy for regulated sectors is needed. Citizens Advice and Citizens Advice Scotland will continue to deliver one of the key aims of Consumer Futures, which is to identify and push forward cross-sectoral work and the spread of best practice.

7.18 Other sectors may join the Consumer Futures unit in Citizens Advice and Citizens Advice Scotland in due course. The Department for the Environment, Food and Rural Affairs has agreed to revisit the question of whether the Consumer Council for Water should join Consumer Futures when the current price review ends in 2014. Whilst not wishing to predetermine the results of this review, this Order enables the retention of existing provisions within CEARA that would abolish the Consumer Council for Water if that is the route agreed upon across Government. Any changes for water representation would be for England only. The Welsh Government has signalled its intention to retain the Consumer Council for Water and Citizens Advice Scotland will cover the water sector in Scotland as the NCC does currently.

Coverage in the Devolved Administrations

7.19 The NCC represents consumers' interests in postal services in the United Kingdom, energy in Great Britain and water in Scotland.

7.20 GCCNI already deals with a wide variety of consumer advocacy matters, with the exception of postal services matters. Whilst postal services is reserved to Westminster, the Government believes that it is sensible for consumer advocacy to be undertaken by a body that already has an active role in such matters in Northern Ireland. We are therefore proposing to transfer NCC's functions in relation to consumer advocacy in Northern Ireland for postal matters to GCCNI.

7.21 The Government has committed that there will be no reduction in the level of representation in Scotland or Wales. Citizens Advice has a committee in Wales which, along with the Citizens Advice Cymru office, will ensure the interest of Welsh Citizens are represented in all consumer advocacy work, including that of the Consumer Futures unit. Citizens Advice Scotland will have similar arrangements. Both Citizens Advice and Citizens Advice Scotland will also honour the obligation held by the NCC to consult with the national Governments on production of their forward work plan. Although both organisations will be required to deliver on these arrangements, the requirement will be removed from statute and placed into grant agreements as is befitting relationships with partner bodies that are not NDPBs.

(B) Transfer of the Office of Fair Trading's Estate Agency functions

7.22 Under the EAA the OFT has a number of formal roles and functions in relation to the estate agency market (buying and selling). In particular, the OFT has the power to issue warning and prohibition orders against estate agents who for example have committed an offence of dishonesty or breached certain provisions of the EAA. After conducting a fitness test, the OFT can

ultimately prohibit those persons it considers "unfit" from carrying estate agency work.

7.23 The Government considered that, following the abolition of the OFT, this work would sit well with the enhanced functions of trading standards. Under the oversight of the new NTSB, a lead local authority could use the network of national, regional and local intelligence provided by trading standards services to carry out this function. The UK trading standards community and devolved administrations agreed with this approach, including the appointment of a lead local authority.

7.24 In April 2013 the first PBA Order therefore re-calibrated responsibilities to enable trading standards to take the lead in most consumer enforcement action against estate agents. Recognising, however, that the OFT had made an administrative link for practical purposes between its functions as the supervisor of consumer credit financial institutions and estate agents under the MLRs, the Government proposed that the transfer of the OFT's estate agency functions take place in parallel with the transfer of those functions to the FCA in April 2014. This transfer is, therefore, taking place in the second tranche of legislative reforms to the consumer landscape.

7.25 The Government considered whether this function could be transferred to the FCA, but it was assessed as being out of scope as the FCA's remit is restricted to the regulated financial services industry. Similarly, unlike the OFT, the CMA will focus on tackling competition problems, practices and market conditions that make it difficult for consumers to exercise choice in an otherwise competitive market.

7.26 This instrument will, therefore, transfer the OFT's functions under the EAA to Powys trading standards, appointed by the NTSB to enforce the measures across the UK. This further simplifies the enforcement delivery landscape, and has been assessed as providing the most cost-effective approach.

7.27 As soon as Parliamentary time permits within the permitted 3-year timeframe, we will ask Parliament to agree to put in place order making powers through primary legislation, which will enable the Secretary of State to change the identity of the lead authority when a new one is appointed by the NTSB. We expect the process of appointing a lead to be run every three years on a competitive tender basis.

7.28 Linked to this, the OFT also monitors the estate agency sector to ensure compliance with anti-money laundering laws. Estate agents are required to be registered with the OFT for anti-money laundering purposes and pay fees to cover reasonable administrative costs. Carrying on estate agency business without being registered is a criminal offence. The OFT also reports to the Serious Organised Crime Agency any suspicions it has of money laundering taking place.

7.29 The government initially proposed that these functions transfer to a lead authority as well. There was, however, slightly less support for this approach from some trading standards authorities and the estate agency sector, and there were concerns that taking a local approach could result in inconsistencies in supervision. The government, therefore, reconsidered the approach and determined that HMRC could deliver this function more effectively because they already supervise a number of other sectors under the MLRs and have both experience and capacity on the ground. Transferring these functions to HMRC is also compliant with the tests under section 8(1) of the PBA as they already exercise similar functions, and this is explained in more detail below.

Compliance with Section 8(1) of the Public Bodies Act 2011

7.30 Section 8(1) of the PBA provides that a Minister may only make an order under PBA where they consider the order serves the purpose of improving the exercise of public functions having regard to efficiency, effectiveness, economy and securing appropriate accountability to Ministers.

(A) Abolition of the National Consumer Council and transfer of its functions

Efficiency and effectiveness

7.31 Publicly-funded consumer advocacy is carried out by a number of organisations, including the NCC, Citizens Advice, Citizens Advice Scotland and to some degree by the OFT. There has been significant overlap between these bodies and therefore scope for efficiency improvements in the use of public funds. For example, both the NCC and Citizens Advice produce reports for consumers on the energy market and both have strong links with sector regulators.

7.32 Through the changes this Order is enabling, the Government will:

- create greater clarity for consumers about who is championing their rights;

- enhance the impact and effectiveness that publicly funded consumer advocacy has, domestically and internationally, on public policy and regulations;

- create efficiencies by greatly reducing the overlap and duplication of effort in consumer research and analysis by merging the expertise of the NCC with the Citizens Advice Service; and

- improve relations and the sharing of best practice between all consumer representatives for regulated sectors leading to increased effectiveness in policy making and enforcement.

7.33 The changes will deliver on two key aims of the Government's public bodies reform – to drive efficiencies by cutting out duplication of activity, and discontinue activities that are no longer needed.

7.34 Citizens Advice and Citizens Advice Scotland, through their Consumer Service telephone helpline[6], Adviceguide website and local bureaux are the frontline source of advice for many. The changes will enable more efficient use of evidence of consumer detriment obtained directly from these sources. In addition the seamless access to evidence will enable better quality consumer representation in policy formation and so resolve problems before they arise.

7.35 The NCC currently has statutory responsibilities to investigate complaints by designated vulnerable consumers in the energy and postal sectors, including those relating to disconnects of gas or electricity. By transferring this function to Citizens Advice and Citizens Advice Scotland, access for those consumers would be widened so that they could raise a complaint at their local Bureaux, rather than having to submit complaints via telephone or online as is currently the case.

7.36 A key role of Consumer Futures when operated by Citizens Advice and Citizens Advice Scotland will be to improve working across all regulated sectors. When drafting their annual work programme, Consumer Futures will be able to identify areas of common interest across all regulated sectors and where working together will improve efficiency. The Consumer Futures unit will then be the catalyst to take this cross-sector work forward.

7.37 There may also be scope to merge other sectoral consumer advocates in the future and to this end DEFRA have agreed to review further the benefits of moving the Consumer Council for Water to the Citizens Advice service in 2014, with any change taking place after the on-going price review. Such a change in water representation would be for England and Wales only.

7.38 We have ensured that statutory provisions are in place so that both Citizens Advice and Citizens Advice Scotland can act to discharge each other's duties and act on behalf of one another, or jointly. This will ensure the greater agility of these two organisations to act in relation to projects for the whole of the GB.

7.39 We are also ensuring that in relation to postal matters GCCNI will act in a joined up way with Citizens Advice and Citizens Advice Scotland. For example, in designing its forward work programme, GCCNI will be required to work with the other consumer advocacy bodies.

Economy

[6] the former Consumer Direct service run by OFT which was transferred to Citizens Advice and Citizens Advice Scotland under the first PBA Order.

7.40 The impact of this Order will primarily be increased efficiency and effectiveness but some small cost savings have been identified.

7.41 Economic considerations have been made in the Impact Assessment (attached in full to the Order). In light of consultation responses, Option 1 from the Impact Assessment (Transfer all of the functions of the NCC to Citizens Advice) was chosen but introduced in a phased approach to ensure continuity and capability during a time of economic stress and to bed Citizens Advice and Citizens Advice Scotland into their new roles.

7.42 Details of anticipated costs and benefits for this option were set out on page 38 of the Impact Assessment and are reproduced below:

Option 1: Transfer all Consumer Focus advocacy to Citizens Advice
Costs

- **Transition cost** of redundancy and pensions top up = £4.3m (Transfer payments)
- **Annual ongoing cost** of additional employer contributions = £990k per year (Transfer payments)
- **Logistical cost of transferring staff + new IT equipment** = £170k

Benefits

- **Cessation of overlap** (board and back office) = £757k per year
- Citizens Advice has high recognition with consumers, especially the vulnerable, and can harness the information on consumer issues collected via its many bureaux for advocacy work.
- A single authoritative consumer advocate with access to wide ranging evidence on consumer concerns will be better able to make an impact on markets and other relevant organisations.
- A single consumer advocate will simplify the consumer landscape.

NPV

The Net Present Value of these changes are estimated to result in benefits of £6.31m.

- +£6.31m

7.43 We now estimate redundancy costs of around £800k at the NCC on closure. When combined with redundancy costs of £860k arising from the transfer of general consumer advocacy to the Citizens Advice Services in April 2013 the total estimated costs for redundancy comes to around £1.7m, rather than the £4.3m estimated in the Impact Assessment. This reduction is at least partly explained by the reduced costs of pension provision for staff transferring to the third sector bodies, as the Public Service Pensions Act 2013 will enable these staff to remain within government pension schemes at a similar cost to their current arrangements.

7.44 Estimates for expenditure on logistical and IT matters have risen to around £310k. The NCC's existing equipment is now beyond its unusable lifetime and needs to be replaced in order for the successor bodies to carry out effective consumer advocacy in the regulated sectors. We also estimate that accommodation set up costs and furniture, fixtures and fittings will come to an additional £110k. The cost of supporting this change across the various bodies is estimated in the region of £700k, including costs of legal advice, project management and change management and training.

7.45 Best estimates of the overall costs of this part of the change programme therefore come to a one off cost of around £2.8m, rather than £4.5m expected, although additional small costs may crystallise in the final months. The annual cost of £990k additional employer contributions to pensions has been saved by the provisions in the Public Service Pensions Act 2013, as outlined above.

Accountability

7.46 CEARA contains a number of provisions ensuring that the NCC as a statutory body is well governed and accountable to the consumer minister for its delivery and funding. Citizens Advice and Citizens Advice Scotland are both charities, governed by both charity and company law to ensure good governance. The bodies have well-established grant funding relationships with BIS and are made fully accountable for the use of BIS funding and levy funding through conditions placed in their annual grant letter. These terms will also set out the governance arrangements and key performance indicators. These will be closely monitored by BIS to ensure that the successor bodies are delivering good outcomes for consumers and achieving good value for money for levy funders and tax-payers.

7.47 We are not transferring functions to Citizens Advice and Citizens Advice Scotland in relation to the need to provide forward work programmes, annual reports or accounts. Instead these will be dealt with through the grant arrangements. Similarly, we are not transferring functions which are required by a statutory body to regulate the way it acts, for example, CEARA section 6, which sets out general provision about functions. Citizens Advice and Citizens Advice Scotland have the needs of all citizens, including the disabled, chronically sick and citizens of pensionable age at the heart of their objectives and do not require a further statutory requirement to focus on their interests. We will however require Citizens Advice and Citizens Advice Scotland to have regard to these considerations, but we will do this again through the requirements of the grant arrangements, which will be subject to review. In addition, we will want to see these considerations addressed in the forward work programmes and the annual reports Citizens Advice and Citizens Advice Scotland will produce, which, as before, will be subject to the consultation requirements with relevant bodies and the Secretary of State. We are also not transferring a number of core functions which the NCC had (for example sections 8 (the representative function), 9 (the research function), 10 (the information function) and 11 (general powers of investigation) of CEARA. Citizens Advice and Citizens Advice Scotland do not require these statutory

functions to carry out the consumer advocacy work as they already perform this work through their existing arrangements. Accountability will be maintained through grant arrangement with the bodies, requiring them to formally account for their delivery of the annual work programme in an annual report which will be published on their websites and sent in hard copy to the Department. A copy will be laid in the libraries of the House to enable scrutiny by members of Parliament. A draft Funding Agreement for Citizens Advice and Citizens Advice Scotland (subject to further amendments) has been included at Annex F.

7.48 We have also ensured that GCCNI remains fully accountable to the Westminster Parliament for the work in relation to postal matters in NI by ensuring that a copy of the accounts and the annual report are sent to the Secretary of State and then laid before the Westminster Parliament.

7.49 Funding for the delivery of Consumer Futures through the Citizens Advice Service will remain as now, that is via a levy imposed on the regulated gas, electricity and postal industries. To ensure transparency Citizens Advice and Citizens Advice Scotland will be required to produce and consult on a draft work programme. This work programme will set out the scope and detail of projects relating to the regulated sectors, including the scale of resources needed to deliver and relevant cost estimates. Consultation on the work programme will enable members of the industry, industry and consumer experts, the Scottish and Welsh Governments and other interested parties to comment on the approach proposed by the organisations, including suggestions as to how the work might be delivered more efficiently. The bodies will publish a final work programme in light of this consultation, clearly setting out costs estimates for the various projects and funding from the levies will be drawn based upon delivery against this plan.

7.50 Citizens Advice and Citizens Advice Scotland will need to maintain close working relationships between themselves, regulators and devolved governments. It will be a condition of grant payment that memoranda of understanding are in place between Citizens Advice and Citizens Advice Scotland and between their Consumer Futures unit and Ofgem and Ofcom. Robust requirements of dealings with devolved governments will be built into the grant terms themselves. The bodies have already established arrangements in anticipation of these requirements, including a partnership committee to coordinate the development of a draft work programme for 2014 and to determine how to allocate the necessary resources to ensure effective delivery.

7.51 As an NDPB, accountability for the General Consumer Council for Northern Ireland (GCCNI) will continue to be set-out in statute but will work on a similar basis, including accountability to Parliament. In addition GCCNI will need to demonstrate it has delivered against its forward work programme to deliver advocacy on behalf of consumers of postal services. We are building in provisions into the legislation to ensure that GCCNI will share its work programme with Citizens Advice and Citizens Advice Scotland before it consults more generally, to ensure a joined up approach to consumer advocacy in relation to postal matters.

7.52 At a local level, the presence of the Citizens Advice Service on the high street through the highly respected local Citizens Advice Bureaux network will be an important part of delivering a consumer advocacy service that is more directly relevant to the needs of consumers and local communities and more accountable to them. This will provide a direct link between national policy and local delivery and create a two-way dialogue between consumers, local issues and priorities and the national advocacy function.

7.53 As with the earlier Order, it is appropriate for Citizens Advice and Citizens Advice Scotland to be brought under the requirements of the Freedom of Information Act 2000 and the Freedom of Information (Scotland) Act 2002 ("the FOI Acts") for the functions transferred.

7.54 Work that is not subject to statutory functions will not be covered by the requirements in the FOI Acts, in order to avoid opening up existing activities of the organisations to these provisions. Any information obtained under statutory functions (in particular under the information seeking power in section 24 of CEARA) will, however, be subject to the FOI Acts. The GCCNI is already listed under the Freedom of Information Act 2000 in relation to its activities and the Act's provisions will also apply to the functions we are proposing to transfer under this draft Order.

7.55 CEARA brought the NCC within the scope of Part 9 of the Enterprise Act 2002 (the information gateway provisions) to ensure that information obtained under statutory functions would be safeguarded and only passed to other organisations in accordance with the gateways set out in Part 9, for example to further the statutory functions of other statutory bodies. This order will ensure that in future, any information gathered by the successor bodies under statutory functions, and in particular information gathered under section 24 of CEARA will be protected by the Enterprise Act 2002 provisions. We have also ensured that relevant information may be passed to further the statutory functions of all the consumer advocacy bodies. Importantly, Citizens Advice and Citizens Advice Scotland will not be carrying out all their functions under statute, but we have provided that other bodies will still be able to share key information with Citizens Advice services where the information relates to functions they exercise which are equivalent to those exercised by GCCNI under sections 8 to 11 and 19 of CEARA.

(B) Transfer of the Office of Fair Trading's Estate Agency functions

Simplification of the consumer enforcement landscape

7.56 The Government's overall aim has been to simplify the functions of bodies in the consumer enforcement landscape. These new roles and functions are set out in paragraph 2.3.

7.57 The following section explains how reform of the estate agency regime follows a continuation of these principles.

Clarifying enforcement of the Estate Agents Act 1979

7.58 Both Trading Standards[7] and the OFT possess enforcement powers under the 1979 Act. Transferring the OFT's powers to trading standards will simplify the landscape further by giving sole responsibility to Trading Standards.

7.59 The supervision of Prohibition and Warning Orders and approval of redress schemes will be more effectively coordinated at national level, through the appointment of a lead enforcement authority to carry out this work on behalf of all authorities. This will ensure the continuation of the existing arrangements which allow:

- consistent application of both Prohibition and Warning Orders against non-compliant estate agents and the approval of redress schemes across the United Kingdom; and

- enforcement activity overall is better targeted through use of a single intelligence-gathering process and decision-making gateway.

7.60 Consequentially, this mitigates against the potential for enforcement gaps relating to the estate agency industry.

7.61 Transferring the OFT's powers under the EAA to a single trading standards authority mitigates against the risk of an individual local authority taking action independently, which could have distorted supervision. In addition, the Government is allocating discrete funding to the lead authority to discharge enforcement and redress functions, which is a more cost-effective solution. Trading standards, DETINI and the estate agency industry are aware of this, and understand that there will be a lead authority**.** NTSB have conducted an open competition to select an appropriate lead authority and have appointed Powys trading standards to carry out this function.

Increased efficiency in enforcement of the Money Laundering Regulations 2007

7.62 Under the MLRs, HMRC currently supervises four sectors and around 19,000 businesses in 65,000 premises and have a well-developed operational and geographic infrastructure for this purpose. HMRC's responsibilities under the MLRs have grown since 2001 and taking on the estate agency sector would be a further extension of its role, thus simplifying the anti-money laundering landscape.

7.63 The transfer will give HMRC the opportunity to exploit operational synergies and share information across HMRC regimes where non-compliance is identified, thus realising efficiencies and introducing more effective

[7] Trading Standards are "local weights and measures authorities" under section 69 of the Weights and Measures Act 1985

measures. For example, businesses which fail to comply with anti-money laundering regulations are often non-compliant in relation to their tax affairs and vice-versa. HMRC will also be able to strengthen the effectiveness of supervision and enforcement under the MLRs at no additional cost by cross-referencing tax records.

Economy

7.64 As with the first PBA Order, the impact of this instrument will primarily deliver increased efficiency and effectiveness. The changes are not predicated on savings, although no additional ongoing operational costs are incurred.

7.65 The economic criteria have been carefully considered in balance with efficiency; effectiveness; and Ministerial accountability in developing these proposals.

7.66 The transfer of the OFT's Estate Agency functions was originally costed as part of the whole package of consumer enforcement reforms announced the in Government's response to Empowering and Protecting consumers. The estimated costs and benefits of the proposed full package of enforcement reforms are shown in the table below.

Option 3 Hybrid (Rebalancing of responsibilities between OFT and LATSS)

Costs:

- **One off: OFT Staff Redundancy (£1.74m), transfer of 3 staff pension top up (£240k).**

- **Ongoing: Costs of Trading Standards Policy Board and Strategic Enforcement Partnership secretariat and Chair (£385k per year), cost of additional employer contribution for 3 transfer staff (£34k per year)**

Benefits:

- **Improved leadership and co-ordination of LATSS enforcement**
- **Better co-ordination between LATSS and OFT/CMA**

NPV

The Net present value of this option is a cost of £3.2m.

- **-£3.2m.**

7.67 This estimate proved inaccurate as the policy intention evolved. The Trading Standards Policy Board was launched as the National Trading

Standards Board (NTSB), while the Strategic Enforcement Partnership became the informal Consumer Protection Partnership (CPP). The new structure of the NTSB and CPP meant that the majority of the estimated setup costs did not materialise. No staff were transferred from the OFT or made redundant as a result of the consumer enforcement reforms, although there will be some redundancies associated with the Government's separate competition reforms, when the OFT will be replaced by the CMA.

7.68 Although it is difficult to accurately extract the costs and benefits of the transfer of estate agency functions from the overall package of reforms, we believe that the effect of the transfer will be broadly cost neutral with a small saving of approximately £55,377 per year[8].

7.69 HMRC intend to operate the supervision of estate agents under the MLRs at full cost-recovery through supervision fees charged to the industry. The OFT's fee arrangements currently cover 95% of the cost of operating the scheme.

7.70 The transfer of the OFT's functions under the EAA to Trading Standards will not incur any additional operational costs. Baseline funding provided to the OFT to operate the estate agency negative licensing and redress functions will transfer to Powys trading standards along with the functions.

7.71 As set out above, consideration was given to whether trading standards should take on the functions in relation to the MLRs. This would have necessitated recruiting and training compliance officers, at considerable expense. HMRC already have this infrastructure in place and would only require minimal additional operational capacity. HMRC are, therefore, the most economically viable regulator.

Accountability

7.72 The lead enforcement authority will, through the terms of grant, be fully accountable for use of public monies. This will be backed up through a framework agreement with the TSI, who will hold and allocate the budget for this work under the direction of the NTSB. In turn, the TSI is accountable to BIS through the governance and monitoring arrangements set out below. Grant conditions will also include a requirement to agree key performance indicators with BIS to ensure proper use of public money**.**

7.73 In order to ensure accountability in discharging the functions under the EA, the lead enforcement authority will be required to make monthly progress reports to the BIS Consumer and Competition Programme Board. Grant funding will be paid once BIS is satisfied that these criteria have been met. BIS Central Finance is aware of these arrangements and are content with this approach. In the context of the broader funding arrangements in place for the

[8] OFT advise their anti-money laundering regime operating costs for 2012-13 were £1,107,542, 95% of which is recoverable from the industry.

NTSB, the National Audit Office have been consulted on the arrangements and raised no objections, subject to appropriate monitoring and management of risk as set out above.

7.74 Accountability for functions under the MLRs will remain with HMT Ministers.

7.75 The Order will give trading standards and HMRC increased statutory responsibilities. They will continue to operate under the requirements of the Freedom of Information Act 2000 and the Freedom of Information (Scotland) Act 2002, and Equalities Act 2010**.** Personal information and commercially sensitive information will however remain protected through the Data Protection Act 1998.

7.76 This Order will, therefore, deliver considerable wider benefits in addition to those already implemented through the first PBA Order.

Compliance with section 8(2) of the Public Bodies Act 2011

7.77 Section 8(2) of the PBA 2011 provides that a Minister may make an order only if the Minister considers that:

- the Order does not remove any necessary protections; and
- the Order does not prevent any person from continuing to exercise any right or freedom which that person might reasonably expect to continue to exercise.

(A) Abolition of the National Consumer Council and transfer of its functions

7.78 Section 8(2) of the PBA 2011 requires that orders made under the Act do not diminish existing protections. CEARA ensures that members of the public can hold Citizens Advice and Citizens Advice Scotland to account in relation to the statutory functions transferred by bringing the organisation within the scope of Freedom of Information legislation. The Act also ensures that potentially sensitive information is protected by Enterprise Act 2002 provisions. These provisions have been extended to Citizens Advice and Citizens Advice Scotland.

7.79 Citizens Advice and Citizens Advice Scotland will be subject to the Freedom of Information Act 2000 and the Freedom of Information (Scotland) Act 2002 requirements in relation to the statutory functions transferred to them. Any functions that they carry out outside of these statutory functions will not be subject to FOI requirements, as is the case now. For instance, the bodies have a long track record of carrying out investigations on behalf of consumers, developing policy initiatives, and providing advice to consumers and these matters will not fall within FOI requirements.

7.80 The provisions of Part 9 of the Enterprise Act 2002, which set out information gateways through which information can be disclosed to other prescribed bodies, will apply to all the statutory functions of GCCNI, Citizens Advice and Citizens Advice Scotland.

7.81 We will also ensure that other Part 9 bodies will be able to share information with all the consumer advocacy bodies in so far as that information relate to the bodies' statutory functions. To ensure that there is a joined up approach in relation to the sharing of information, we have in addition provided that information will be shared with Citizens Advice and Citizens Advice Scotland where they are carrying out functions which are equivalent to the statutory functions under sections 8, 9, 10, 11 and 19 of CEARA to GCCNI. This is to ensure that relevant information to protect and enhance the role of Citizens Advice and Citizens Advice Scotland to protect and advocate on behalf of consumers is provided.

7.82 Given that all of the protections remain the Minister considers that the conditions in section 8(2) of the PBA 2011 are satisfied.

(B) Transfer of the Office of Fair Trading's Estate Agency functions

7.83 The Minister has considered that the conditions in section 8(2) of the PBA 2011 have been satisfied.

7.84 The transfer of the OFT's estate agency functions under the MLRs will increase public protection from the economic consequences of non-compliance of affairs. HMRC will be able to exploit operational synergies and share information across their regimes where non-compliance is identified. Businesses which fail to comply with anti-money laundering regulations are often non-compliant in relation to their tax affairs and vice-versa.

7.85 The public remain protected as the previous functions under the EAA will not be reduced. They will instead be transferred in their current form, whilst being more efficiently administered as described above.

7.86 Protection of estate agents through the right of appeal will also remain in place, although appeals made against decisions taken under the MLRs follow a different procedure as examined in section 4 above.

8. Consultation outcome

8.1 BIS published a consultation document *'Empowering and Protecting Consumers'* and an accompanying draft Impact Assessment in June 2011. The government's response and final Impact Assessment were published in April 2012.

8.2 The consultation period, carried out in accordance with sections 10 and 11 PBA, ran for 14 weeks, closing on 27 September 2011. The consultation document was sent to a range of relevant key stakeholder organisations and

was posted on the BIS website. The Government Response was issued on 11 April 2012.

8.3 The Government received 184 formal written responses from a variety of organisations including Local Authority Trading Standards Services, trade bodies, consumer organisations, businesses and individuals. There was also extensive stakeholder engagement both before and during the consultation period. A list of respondents is included at Annex C. Electronic copies of the consultation, Government response and copies of responses can be found here: https://www.gov.uk/government/consultations/empowering-and-protecting-consumers. Paper copies have also been provided with this document.

8.4 A summary of key points made by respondents can be found in Chapters 3 to 6 of the Government's response and a list of those who provided written responses is at Annex C. The responses were also published, except those where respondents requested confidentiality. Paper copies of all responses have been provided to the committee.

8.5 Following further assessment of the policy in relation to the transfer of the OFT's supervision of estate agents under the MLRs, it was considered that it was more appropriate for this function to transfer to HMRC instead of trading standards. The estate agency industry were consulted on these proposals in July 2013, and were content with the proposed arrangements.

9. Guidance

9.1 This instrument transfers most of the NCC's statutory functions and makes amendments to enable Citizens Advice, Citizens Advice Scotland and the GCCNI to succeed those powers and duties. Guidance for stakeholders or enforcement agencies is therefore not required.

9.2 Existing guidance on estate agency enforcement will be updated by the Trading Standards Institute.

10. Impact

10.1 The measures brought about by this Order are part of a wider package of consumer bodies landscape changes.

10.2 Impact assessments on the whole package of consumer landscape reforms were published in April 2012 alongside the Government Response to the 'Empowering and Protecting Consumers' consultation. These are available as a single document online at: *http://www.bis.gov.uk/assets/biscore/consumer-issues/docs/e/12-637-empowering-protecting-consumers-impact-assessments.pdf*

10.3 The impact assessment relevant to this Order has been provided and will be published alongside the Explanatory Document on www.legislation.gov.uk.

11. Regulating small businesses

11.1 This instrument does not make any provision specific to small businesses. The legislation being amended continues to apply to small businesses as it did previously.

12. Monitoring and review

(A) Abolition of the National Consumer Council and transfer of its functions

12.1 Government expects all policies to be evaluated following implementation as a matter of course. The grant funding agreement between Citizens Advice Services and BIS for the delivery of the consumer advice scheme recognised the importance of realising benefits by making a portion of the grant funding conditional on the satisfactory completion of agreed performance standards. Regular monitoring and review of the agreed targets under that agreement will take place and will be adjusted in light of experience and to reflect changes in the market environment as necessary. A similar arrangement will be applied to GCCNI.

(B) Transfer of the Office of Fair Trading's Estate Agency functions

12.2 Progress against grant funding terms, including key performance indicators, between TSI and BIS will be subject to regular monitoring and scrutiny to ensure that functions are being discharged efficiently and effectively, making the best use of public money**.**

12.3 As soon as possible after the end of each financial year, TSI will provide the Secretary of State with an audited income and expenditure account and a balance sheet and supporting notes in respect of its activities during that year. Income and expenditure not covered by funds provided by the Secretary of State for this function will be clearly identified.

12.4 The auditor's report, in addition to giving an opinion on the accounts as they stand, will say whether, in the auditor's opinion, grant income has been properly applied in accordance with the grant funding agreement.

12.5 The Comptroller and Auditor General may, pursuant to Section 6 of the National Audit Act 1983, also carry out examinations into the economy, efficiency and effectiveness with which the TSI has used its resources in discharging its grant-aided activities.

12.6 The National Audit Office and BIS Central Finance are both aware of these arrangements and are content with this approach.

12.7 Cabinet Office will carry out a post legislative scrutiny review of the PBA in due course. BIS will monitor the outcome of that process and consider potential impact on this legislation.

13. Contact

13.1 Paul Bland, Department for Business, Innovation and Skills, tel. 020 7215 5745 or email paul.bland@bis.gsi.gov.uk with any queries in relation to this instrument.

Annex A: Summary of the provisions relating to the abolition of the NCC and transfer of functions to Citizens Advice, Citizens Advice Scotland and the GCCNI and the transfer of certain consumer advice scheme functions of the OFT

Articles

1.1 Article 1 of the Order sets out the coming into force dates for the provisions and the definitions. The NCC will be abolished on 1st April 2014.

1.2 Article 2 states that the NCC is abolished.

1.3 Article 3(1) states that Schedule 1 to the Order has effect to transfer functions to the transferees, Citizens Advice, Citizens Advice Scotland and GCCNI - referred to as the "consumer advocacy bodies". Schedule 1 also makes consequential, supplementary, incidental and transitional provision relating to the transfer of functions of the NCC.

1.4 Article 3(1) (a) lists the functions to be transferred to Citizens Advice and Citizens Advice Scotland alone (in brief, those that are relevant to energy matters). Articles 3(1)(c) sets out the functions to be transferred to Citizens Advice alone (namely those that may be conferred on Citizens Advice, in the future, which relate to water services , together with the functions of the Warm Homes and Energy Conservations Act 2007, which only extends to England and Wales.).

1.5 Article 3(1) (d) transfers the functions relating to consumer matters relating to water in Scotland to Citizens Advice Scotland.

1.6 Article 3(1) (e) transfers relevant functions to GCCNI.

1.7 Articles 3(2) states that functions conferred on Citizens Advice or Citizens Advice Scotland under paragraphs 3(1)(a) and (b) may also be exercised by them jointly and may be exercised on behalf of one by the other.

1.8 Article 3(3) makes it clear that the conferring of functions under the draft Order on Citizens Advice and Citizens Advice Scotland does not affect their ability to exercise other functions already conferred on those bodies.

1.9 Article 3(4) states that the functions transferred to GCCNI may be exercised only in relation consumer advocacy matters in Northern Ireland relating to postal services.

1.10 Article 4 and Schedule 1 also transfer the functions of the OFT relating to a consumer advice scheme which which was transferred by the first Public Bodies Act Order. Schedule 1 also make other consequential amendments relating to the this transfer.

Schedule 1 Part 1

Public Records Act 1958, Parliamentary Commissioner Act 1967 and the *House of Commons Disqualification Act 1975*

1.11 We have removed references to the NCC from this legislation, following its abolition.

The Gas Act 1986

1.12 This Act is amended to replace the references to the NCC with references to Citizens Advice and Citizens Advice Scotland.

1.13 The amendments ensure that Citizens Advice and Citizens Advice Scotland can also act jointly. Where there is a duty on both Citizens Advice and Citizens Advice Scotland (for example under section 33DA of the Gas Act), we have provided that the duty can also be satisfied by these bodies acting jointly, or by securing that one body acts on behalf of both of them.

The Electricity Act 1989

1.14 This Act is amended so that functions are transferred to Citizens Advice and Citizens Advice Scotland alone and the same considerations apply in relation to section 42AA of the Electricity Act 1989 as they do to section 33DA of the Gas Act 1986.

Water Industry Act 1991

1.15 The reference to the NCC in this Act is omitted and we have inserted the reference to Citizens Advice.

Postal Services Act 2000

1.16 All three consumer advocacy bodies will deal with consumer advocacy matters in relation to post and so they have all been referred to in the amendments to this legislation. We are providing in section 102 that any order made to modify or confer functions in relation to Citizens Advice or Citizens Advice Scotland will be subject to the consent of those bodies. This reflects a similar provision in section 21(1) of the PBA, which requires a charity to give consent before functions are transferred to it.

Utilities Act 2000

1.17 This Act has primarily been amended to ensure that Ofgem is able to impose a levy on energy licence holders to pay for the relevant expenses of Citizens Advice and Citizens Advice Scotland in relation to the functions they are receiving from the NCC. In effect, Citizens Advice and Citizens Advice Scheme will receive the levy monies instead of the NCC as a result of the abolition of the NCC. Section 8 (3A) is amended to ensure that expenses

relating to the transfer and the ongoing expenses Citizens Advice and Citizens Advice Scotland are captured:-

New paragraphs (ba) and (bb) refer to the expenses of Citizens Advice and Citizens Advice Scotland in carrying out their functions, including expenses in taking on the functions of the NCC.

New paragraphs (ca) and (cb) relate to expenses which relate to liabilities transferred to Citizens Advice and Citizens Advice Scotland under a transfer scheme made under the PBA. This will include liabilities for pensions for former Energywatch employees who transferred to NCC when NCC was established. Energy watch was the statutory body which dealt with consume advocacy matters in relation to energy before the establishment of the NCC.

Paragraphs (da) and (db) seek to cover the expenses of the Secretary of State in relation to the abolition of the NCC and the conferring of functions on Citizens Advice and Citizens Advice Scotland.

Warm Homes and Energy Conservation Act 2000

1.18 This Act (which extends to England and Wales) is amended to remove references to the NCC and insert Citizens Advice.

Freedom of Information Act 2000

1.19 We have removed references to the NCC here and have inserted Citizens Advice. GCCNI is already listed. We have amended the Freedom of Information (Scotland) Act 2002 to insert Citizens Advice Scotland.

Communications Act 2003

1.20 We have amended this Act to remove the reference to the NCC and provide that Citizens Advice and Citizens Advice Scotland representatives should sit on the Ofcom Consumer Panel.

Consumers Estate Agents and Redress Act 2007

1.21 Sections 1 and 2 are omitted (both dealing with the establishment of the NCC and its territorial committees). GCCNI will represent consumer advocacy matters relating to post in Northern Ireland (the only activity the NCC carried out in Northern Ireland is now transferred to the GCCNI). Citizens Advice and Citizens Advice Scotland will represent consumers in England, Wales and Scotland.

1.22 In the new section 1 we provide that consumer advocacy will be dealt with by the consumer advocacy bodies, Citizens Advice Citizens Advice Scotland and the GCCNI. This section also provides that all the functions we transfer to Citizens Advice and Citizens Advice Scotland can be exercised by them individually or jointly. Citizens Advice and Citizens Advice Scotland may exercise functions on behalf of the other (see new section 1(3)).

1.23 New section 1(4) provides that GCCNI will exercise its functions under CEARA only in relation to postal matters in Northern Ireland.

1.24 Section 4 is amended to say that the Secretary of State is only obliged to consult,

- with Citizens Advice in relation all relevant orders, except those dealing only with post in Northern Ireland,
- with Citizens Advice Scotland in relation to relevant matters except those that only relate to post in Northern Ireland or water in England and Wales;
- with GCCNI, only in relation to postal matters in Northern Ireland.

1.25 Section 5 on forward work programmes is transferred to GCCNI. The provision inserts section 5(4A) which provides that in preparing a forward work programme the GCCNI will share it with the other consumer advocacy bodies.

1.26 Section 6 (general provision about functions) is transferred to GCCNI.. Section 6A is inserted to ensure that the provision (previously in section 6(13) of CEARA) which makes it clear that consumer advocacy bodies are not under a duty to exercise functions on behalf of particular consumers, except in relation to section 13 of CEARA.

1.27 Section 7 (annual report) and 7A (annual report on Scottish Water related activities) are repealed. The provision in relation to annual reports for GCCNI has been inserted into the Northern Ireland Order in Council which established the GCCNI (please see amendments to Northern Irish legislation in Schedule 1 Part 3 and further information below).

1.28 Sections 8 (the representative function), 9 (the research function), 10 (the information function) and 11 (the investigation function) are transferred to GCCNI.

1.29 Section 12 – In this section we have removed references to NCC to insert the consumer advocacy bodies. We have had to include mechanisms to ensure that Citizens Advice and Citizens Advice Scotland are able to refer complaints they receive to the other body (see new subsections 12(5) and (6)).

1.30 Section 13 (investigation of complaints relating to disconnection of gas or electricity) we have removed references to the NCC and replaced it so that these investigations are dealt with by Citizens Advice and Citizens Advice Scotland. We have also provided in new section 13(5A) that these bodies may refer complaints to one another.

1.31 Section 14 is also transferred to Citizens Advice and Citizens Advice Scotland so that matters can be references to Ofgem.

1.32 Sections 15 and 16 have been amended to ensure that a consumer advocacy boy can carry out the functions under CEARA in relation to postal matters and investigations relating to post offices.

1.33 Section 17, 18 and 19 are transferred to GCCNI alone. These matters (reports, the Secretary of State's requirements for reports and the provision of advice, information and guidance).

1.34 Section 19A provides that Citizens Advice and Citizens Advice Scotland must publish guidance for energy consumers. The duty on both Citizens Advice and Citizens Advice Scotland will operate in conjunction with the overriding provision in new section 1(3) of the 2007 Act, which will allow Citizens Advice or Citizens Advice Scotland to act on the other's behalf, and in so doing, discharging one another's duty to act.

1.35 The provision also provides that until a new version of the guidance is provided, Citizens Advice and Citizens Advice Scotland must make the last version of the guidance produced by NCC, to be made available (section 19A(8A)).

1.36 Sections 20 and 20A have been deleted.

1.37 Sections 22 (voluntary activities) and 23 (supplementary powers etc) have been deleted as they are not needed by any of the consumer advocacy bodies in their activities. Section 24 of CEARA is a power to require information from specified persons. This power is enforceable, through a regulator (section 25) or through a court order. This power will apply to Citizens Advice and Citizens Advice Scotland.

1.38 We have provided at section 24(2A) (b) that Citizens Advice and Citizens Advice Scotland will be able to use the power in relation to a function under an enactment and in relation to a function which corresponds to a function conferred on the GCCNI under sections 8., 9, 10, 11 or 19 as these will be functions in relation to consumer advocacy.

1.39 In sections 25 and 26 we have replaced the references to the "NCC" with the consumer advocacy bodies.

1.40 Section 27 has been amended so that authorised persons can request information from Citizens Advice and Citizens Advice Scotland. New section 27(1) provides that this will include information Citizens Advice or Citizens Advice Scotland have obtained under section 24.

1.41 Section 28 (exemptions from requirements to provide information) is amended to refer to the consumer advocacy bodies.

1.42 Section 29 amends the disclosure of information arrangements under Part 9 of the Enterprise Act 2002.

1.43 Citizens Advice and Citizens Advice Scotland are only to be treated as public authorities in relation to the functions referred to in subsection 29(3) and those conferred under CEARA.

1.44 In addition we are providing that for the purpose of section 241(3) of the Enterprise Act 2002, other bodies can disclose information to Citizens Advice and Citizens Advice Scotland where those bodies are exercising a function conferred by an enactment or a function that confers to sections 8, 9, 10, 11 or 19 of CEARA as conferred on GCCNI.

1.45 We have drafted to ensure that the limitations to those functions in section 11 of CEARA which apply to GCCNI in terms of operating only in Northern Ireland in relation to postal matters), do not apply in relation to Citizens Advice and Citizens Advice Scotland (see section 29(3C)(b)).

1.46 Sections 31 to 36 are amended so as to provide that any future transfer from the Consumer Council for Water ("CCW") would be to Citizens Advice not to the NCC.

1.47 In section 33 we are amending a reference to the "consumer advice scheme". The function to run a consumer advice scheme was transferred to Citizens Advice and Citizens Advice Scotland by the Public Bodies (The Office of Fair Trading Transfer of Consumer Advice Scheme Function and Modification of Enforcement Functions) Order 2013 (S.I 2013/783). The remaining OFT function in section 33 causes the OFT to receive, under statute, the expenses of providing a particular type of service when, at a point in the future, the CCW ceases to be. This function is now transferred to Citizens Advice and Citizens Advice Scotland.

1.48 Section 37 is amended to ensure that further related functions can be conferred on Citizens Advice and Citizens Advice Scotland or their functions can be modified by the order making power in section 37. Section 37(3A) provides that any function cannot be conferred or modified without the consent of Citizens Advice or Citizens Advice Scotland.

1.49 Section 38 which dealt with the removal of the NCC's functions in relation to Northern Ireland has been omitted.

1.50 Section 39 was repealed by section 39 of the Financial Services Act 2012.

1.51 Section 40 made the amendments to section 17 of the Communications Act and should remain.

1.52 After section 40 we have inserted a new section 40A which provides that the Secretary of State can make grant payments to a consumer advocacy body. This power can be used alongside the existing grant making power in section 274 of the Enterprise Act 2002. This new grant making power relates to the functions which we are conferring under the draft Order. In relation to GCCNI, grants shall only be made in relation to consumer matters that relate to postal affairs in Northern Ireland.

1.53 New section 40B inserts an exemption from liability for Citizens Advice and Citizens Advice Scotland. It replicates the provision previously in paragraph 38 of Part 6 of Schedule 1 to CEARA which applied to the NCC.

1.54 Section 49 replaces the reference to the NCC so that information is to be sent by persons in relation to redress schemes to Citizens Advice and Citizens Advice Scotland. This section is also amended to transfer the function of receiving relevant information in relation to a consumer advice scheme from the OFT to Citizens Advice and Citizens Advice Scotland.

1.55 Schedule 1 of CEARA, which deals with the NCC and its constitution is repealed.

Postal Services Act 2011

1.56 Section 51 is amended to replace all references to the NCC with references to Citizens Advice, Citizens Advice Scotland and GCCNI. Section 51 provides that the levy under this legislation on postal licence holders shall include:-

(a) the functions of Citizens Advice, Citizens Advice Scotland and GCCNI which relate to postal services, including expenses relating to the functions transferred from the NCC;

(b) the expenses of Citizens Advice which relate to a transfer scheme under the PBA;

(c) the functions of Citizens Advice and Citizens Advice Scotland which relate to the qualifying consumer advice scheme (transferred to these bodies under the S.I. 2013/783).

1.57 New section 51(4ZA) also provides that the levy should also cover the expenses of the Secretary of State;

(a) in relation to the abolition of the NCC;
(b) in relation to the functions conferred on Citizens Advice, Citizens Advice

(c) the expenses of the Secretary of State relating to a transfer scheme in respect of the NCC under the Public Bodies Act 2011.

1.58 Sections 56 and 57 are amended to replace the references to the NCC in parenthesis, to the new bodies.

1.59 Section 61 replaces the NCC with references to the new consumer advocacy bodies but provides that the Secretary of State is not required to consult Citizens Advice and Citizens Advice Scotland if the draft guidance relates only to Northern Ireland.

Public Bodies Act 2011

1.60 We are providing that the entry for the NCC in Schedule 1 of the PBA should be omitted from 2nd April 214, once it has been abolished.

Part 2 – Amendments to the Acts of the Scottish Parliament

1.61 All references to the NCC in the Scottish legislation listed in this Part are to be replaced by references to Citizen Advice Scotland.

Part 3 Amendment to Northern Ireland legislation

1.62 The Northern Ireland Assembly Disqualification Act 1975 is amended to remove the reference to the NCC.

1.63 We are making amendments to the Order in Counsel which established the GCCNI to provide that its accounts and its annual report should be sent to the Secretary of State and then laid before Parliament. This replicates the previous requirements in section 7 and Schedule 1 Part 5 of CEARA in relation to the NCC.

1.64 In addition, at paragraph 15 of the Order we are inserting a limitation of liability provision which replicates the same provision that applied to NCC.

Part 4 – Statutory Instruments

1.65 This Part lists all the Statutory Instruments to be amended as a result of the transfer of functions.

Part 5 – Transitional provision

1.66 Part 5 to Schedule 1 sets out the transitional provisions which provide that anything done before the abolition of the NCC or the transfer of functions to the consumer advocacy bodies (described as the transferees for this purpose), shall have effect as if done by, or in relation to, the transferees. Paragraph 28(5) provides that any monies paid to the Gas and Electricity Markets Authority under section 8 of the Utilities Act or to the Office of Communications under section 51 of the Postal Services Act 2011, is to be treated as money paid to one of the transferees in relation to a function transferred to them under this Order.

Annex B: Summary of the provisions relating to the transfer of the Office of Fair Trading's estate agency functions.

Articles

1.1 Article 1 of the Order sets out the coming into force dates for the provisions and the definitions. The transfer of the OFT's estate agency functions will take place on 31st March 2014.

1.2 Article 5(1) transfers the OFT's functions in EAA to the "lead enforcement authority", which is defined as "Powys County Council".

1.3 Article 5(2) transfers the OFT's functions, in relation only to its role as supervisor of estate agents under the MLRs (i.e. it does nothing to the OFT's role as supervisor of consumer credit institutions), to the Commissioners, who are defined in Article 1 as the Commissioners of HMRC.

1.4 Article 5(3) introduces Schedules 2 and 3 which contain the consequential, supplementary, incidental and transitional provisions and savings relating to the transfer of functions under EEA and MLRs respectively.

Part 1 of Schedule 2 – amendments to UK primary legislation

Estate Agents Act 1979

1.5 The majority of the amendments simply substitute "OFT" with "lead enforcement authority".

1.6 New **section 9A** has been inserted to replace the information gateway in section 231 of the Enterprise Act 2002. Since the gateway is no longer needed by the OFT it was considered that it sat better in EAA itself, rather than in the Enterprise Act 2002, which is amended by paragraph 12 of Schedule 2.

1.7 **Sections 11(6) and (7)**, which provide the Secretary of State with a power exercisable by order to say that an officer is only duly authorised to enter certain premises when they are authorised by the OFT, have been repealed. Only one order has ever been made under these sections and these are revoked by paragraph 15 of Schedule 2.

1.8 Currently the OFT can't issue a penalty charge under **section 23B** EAA, but the policy intention is that all enforcement authorities including the lead authority are given this power, so references to the OFT in this section and in the related paragraphs in Schedule 4 have been omitted.

1.9 The term "lead enforcement authority" has been defined in **section 33** as "Powys County Council". It was considered that the phrase "Powys local weights and measures authority" was not appropriate because section 69(2) of the Weights and Measures Act 1985 provides that "in Wales the local weights and measures authority for each county shall be the county council".

Consequential amendments

1.10 Most of the other amendments in Part 1 are to information gateways to make sure Powys trading standards can obtain the same information as the OFT for the purposes of EAA.

1.11 Generally the Order adds a gateway for Powys, but does not delete those for the OFT. The Order to be laid under the Enterprise and Regulatory Reform Act 2013 will delete references to the OFT, unless they relate solely to the MLRs in which case HMT will delete these references in one of a series of Orders being laid by them to deal with the transfer to FCA.

1.12 The Tribunals and Inquiries Act 1992 is not an information gateway, but imposes requirements on the OFT as a result of it reviewing its own decisions. A new paragraph 14(1) (aa) has been inserted along with a new entry for Estate Agents in the Schedule to the Act. Section 14(1)(b) will be repealed in the Order to be laid under the Enterprise and Regulatory Reform Act 2013.

Part 2 of Schedule 2 – amendments to Scottish legislation

Housing (Scotland) Act 2006

1.13 This is an information gateway.

Part 3 of Schedule 2 – amendments to secondary legislation

Estate Agents (Entry and Inspection) Regulations 1981

1.14 This is the Order made under sections 11(6) and (7) EAA, which is being revoked.

Other amendments

1.15 The rest of these amendments are information gateways.

Part 4 of Schedule 2 – transitional provisions and savings

General

1.16 We hope that these are self-explanatory.

Certain amounts payable to the Office of Fair Trading

1.17 Costs orders obtained in legal proceedings are to be transferred to the CMA, rather than transferring to Powys trading standards as legal fees are paid from a separate budget to that used for EAA enforcement generally.

General notices

1.18 EAA allows the OFT to publish certain information by general notice e.g. where to serve documents. This paragraph revokes all general notices issued by the OFT. The lead authority will need to issue its own notices.

Information

1.19 This is an information sharing gateway to complement other gateways available for the sharing and transfer of information in connection with the transfer.

Part 1 of Schedule 3 – amendments to secondary legislation

1.20 As described above there are very few amendments to be made in relation to the MLRs transfer because HMRC are already supervisors under MLRs and because references to the OFT are being deleted by HMT in their Orders.

Public Interest Disclosure (Prescribed Persons) Order (Northern Ireland) 1999

1.21 This is an information gateway.

Money Laundering Regulations 2007

1.22 The amendments being made simply reallocate estate agents from the list of sectors supervised by the OFT to the list of sectors supervised by HMRC, and allows HMRC to keep a register rather than the OFT.

Part 2 of Schedule 3 – transitional provisions and savings

General

1.23 The first sub-paragraph makes clear that the transitional provisions in HMT's Order do not apply in relation to the changes made by this Order; as they are drafted widely enough that this could be in doubt.

1.24 We hope that the rest of the provisions are self explanatory.

Certain amounts payable to Office of Fair Trading

1.25 Costs orders obtained in legal proceedings are to be transferred to the CMA, rather than transferring to HMRC as legal fees are paid from a separate budget to that used for MLR supervision generally.

Change in appeal procedure

1.26 It was necessary to provide detailed transitionals for the change in the appeal procedure as the MLRs treat decisions by OFT and HMRC quite differently. In essence the OFT issue a proposal notice, consider representations, issue a decision notice and an appeal is then made under regulation 44 to the Consumer Credit First-tier tribunal. Whereas, HMRC issue a decision and the subject of the decision then has a choice whether to ask for an internal review first, or move straight to an appeal under regulations 43 to 43F MLRs to the Tax First-tier Tribunal.

1.27 Paragraph 5 provides that where the OFT has issued a notice proposing not to register an estate agent, to cancel their registration or issue a civil penalty, but no decision notice has been issued the proposal notice will cease to have effect. HMRC will have access to the relevant papers including any submissions made and will determine whether or not to issue a decision notice themselves.

1.28 Paragraph 6 provides that where the OFT has issued a decision notice, but no appeal has been lodged, the subject of the decision may appeal and must do so in accordance with the tribunal rules that apply to decisions made by the OFT. This means that any guidance provided by the OFT on how to appeal will continue to be valid. However, once an appeal is lodged the basis of that appeal will shift to regulation 43, allowing the tribunal the full range of remedies set out there. Paragraph 6 also gives HMRC the power to offer a review and where it does so regulations 43 to 43F MLR apply with the modifications set out. This enables HMRC to move estate agents onto their own appeal procedure and they will ensure anyone being offered a review is made aware of the change to the appeal procedure.

1.29 Paragraph 7 provides that where the OFT has issued a decision notice and the appeal was started before the transfer date, the basis of the appeal is changed to regulation 43 MLRs to ensure that the full range of remedies is available to the tribunal.

Annex C: List of respondents to the Government Consultation

Aberdeenshire Council
Association of British Travel Agents (ABTA)
Association of Chief Trading Standards Officers (ACTSO)
Advertising Association
Advertising Standards Authority
Age UK
Association of Independent Tour Operators
Alliance against IP Theft
Anglian Water
Angus County Council Trading Standards (CCTS)
Allan Auty
British Association of Removers
Barnsley Metropolitan Borough Council
British Air Transport Association
Jeffrey Bell
Laila Benfaida
BEUC – European Consumer organisation
Blackpool Trading Standards (TS)
Mark Boleat
Bosch Car Service
Brighton & Hove TS
British Airways
British Brands Group
British Compressed Air Society
British Gas
British & Irish Ombudsman Association
British Retail Consortium
BSI
BT
Buckinghamshire CCTS
Civil Aviation Authority (CAA)
Cambridgeshire CCTS
Carpet Foundation
CBI
Central England TS Authorities
Centrica
Cheshire East Borough Council
Cheshire West & Chester Council
Children's Commissioner for Wales
Citizens Advice and Citizens Advice Scotland
City of London TS
Communications Consumer Panel
Competition Commission
Construction Licensing Executive
Consumer Council
Consumer Council for Water
Consumer Credit Association

Consumer Finance Association
Ray Cope
Convention of Scottish Local Authorities (COSLA)
David Hume Institute
Debt Managers Standards Association
Derbyshire County Council (CC)
Devon CC
Direct Selling Association
East of England TS Association
East Midlands Trading Standards
East Riding, Yorkshire
East Sussex CC
ebay
EDF Energy
Electricity North West
Energy Retail Association
Essex CCTS
Financial Services Consumer Panel
Financial Ombudsman Service
Food Standards Agency
Forensic & Litigation Consulting
FRESH – smoke free North East
Fundraising Innovations Ltd
Furniture Ombudsman
Gemserv Ltd
Glasgow CC
Gloucestershire CCTS
Hampshire CCTS
Haringey Council TS
Hertfordshire CCTS
Highland Council
Gwen Holmes
Home Retail Group
Paul Hunt
Institute of Professional Willwriters
International Consumer Policy Bureau
Islington Council TS
R&T Jebbett & J Purvin
Joint Working Party of the Bars &
Law Societies of the UK on competition law
Tom Jones
KGB
Kingston-upon-Thames TS
Law Society of England & Wales
Law Society of Scotland
Local Better Regulation Office (LBRO)
Legal Services Board
Legal Services Consumer Panel
Peter Lennon
Local Government Group

Local Government Ombudsman
London School of Economics (LSE)
Ken Lyle
Manchester Metropolitan University
David McCulloch
MD Insurance Services Ltd
Sharon Mills
Claire Milne
Mobile Broadband Group
Money Advice Scotland
Money Advice Service
Money Advice Trust
Motor Codes
National Caravan Council
National Consumer Council
National Consumer Federation
National Energy Action
North East TS Association
Newport City Council TS
National Federation of Property Professionals
North Lanarkshire Council TS
North Yorkshire CC
Nottinghamshire CCTS
Npower
Dr Neil Ogg
Ombudsman Services
Ofcom
Ofgem
OFT
Ofwat
Office of Rail Regulation
Prof P Cartwright, University of Nottingham
Professor T H Pennington, Aberdeen University
Personal Finance Education Group
David Phillips
Phonepay Plus
Professor J F Pickering
Plymouth City Council
Portsmouth City Council TS
The Property Ombudsman
REAL Assurance Scheme
Reference Line
Renewable Energy Association
Rhondda Council
RMI National Franchised Dealers Association
Royal Mail
Sainsburys plc
St Helens Metropolitan Borough Council
Society of Chief Officers of Trading Standards in Scotland (SCOTSS)

Scottish Government
Scottish Legal Aid Board
Scottish Power
Scottish Water
Severn Trent Water
Shelter Cymru
Sky Broadcasting Group plc
Somerset CC
South Gloucestershire CCTS
South West Water
Southampton City Council
Staffordshire CC
Stockton on Tees Borough Council TS
Sustain – alliance for better food and farming
Swansea City & County
Trading Standards North West
Trading Standards South East (Buy
with Confidence)
Trading Standards South West
Trading Standards Institute (TSI)
TSI North East
TSI Scotland
Trustmark
Howard Turton
UK Accreditation Service (UKAS)
UK Competitive Telecommunications Association
Underage Sales
University of East Anglia
US Federal Trade Commission to UK
uSwitch.com
Vehicle Builders & Repairs Association
Virgin Atlantic Airways
Wandsworth Council TS
Warwickshire CCTS
Water UK
Welsh Government
West Yorkshire TS
Which?
Helen Woods
York City Council
Yorkshire & Humber Trading Standards Group
12

Annex D: Draft transfer scheme dealing with the abolition of the NCC

THE NATIONAL CONSUMER COUNCIL TRANSFER SCHEME

Abolition of the National Consumer Council and transfer of its functions to Citizens Advice, Citizens Advice Scotland and the General Consumer Council for Northern Ireland: Transfer Scheme 2014

Explanatory Note

The National Consumer Council was established by the Consumers, Estate Agents and Redress Act 2007 ("the 2007 Act"). In operational terms it was known as Consumer Focus, changing its name to Consumer Futures in May 2013 to reflect its changed role to that of a regulated industries unit. For ease we will refer to the body as the National Consumer Council throughout this document.

In June 2011 the National Audit Office published a report on "Protecting Consumers – the system for enforcing consumer law" which identified a lack of clear lines of responsibility between enforcement agencies to tackling consumer detriment. In parallel the Government consulted on proposed reforms to the existing institutional arrangements to ensure that consumer advice, representation and enforcement were delivered effectively and efficiently. As a result of that consultation the Government announced in April 2012 a suite of reforms to the consumer and competition landscape through a phased approach.

The Government used order making powers under the Public Bodies Act 2011 ('the Act') to enable the first set of reforms in April 2013 and are proposing to use order making powers under the Public Bodies Act 2011 to enable the second and final set of reforms which includes the abolition of the National Consumer Council as a non-departmental public body and transfer of relevant functions to Citizens Advice, Citizens Advice Scotland and the General Consumer Council for Northern Ireland ("the corresponding organisations").

This Transfer Scheme (made by the Secretary of State under paragraphs [X and X of the XXX Statutory Instrument] preserves the employment rights of the staff of the National Consumer Council who transfer to a corresponding organisation: they will

retain all the benefits of their contracts of employment as if those contracts had originally been made between them and the corresponding organisation. This Transfer Scheme also transfers property, rights and liabilities from the National Consumer Council to the corresponding organisations.

_____

[The Secretary of State, in exercise of powers conferred by section 23 of the Public Bodies Act 2011, makes the following Transfer Scheme ("Transfer Scheme").]

[The Secretary of State has made the Public Bodies (Abolition of the National Consumer Council and Transfer of the Office of Fair Trading's Functions in relation to Estate Agents etc) Order 2014, under section 1(1) and 2, 5(1)(b), 6(1), (2) and (5) and 35(2) of the Public Bodies Act 2011, transferring functions from Consumer Futures to Citizens Advice, Citizens Advice Scotland and the General Consumer Council for Northern Ireland ("the corresponding organisations").]

[Citizens Advice, Citizens Advice Scotland and the General Consumer Council for Northern Ireland have consented to this Transfer Scheme.]

1. Date of transfer

1.1. The transfer will take place on the 1 April 2014 [?] ("the date of transfer") on which date the National Consumer Council will be abolished.

1.2. Subject to the following provisions of this Transfer Scheme, all property, rights and liabilities of the National Consumer Council transfer to the corresponding organisations on the date of transfer.

2. Identification of employees who are to transfer

2.1. All persons who are employed immediately before the date of transfer under a contract of employment (whether permanent or fixed term) in the roles listed in Schedule 2 ("the relevant posts") hereto will transfer to the corresponding organisation listed in that Schedule.

2.2. Agency staff, contractors, and consultants will not transfer.

2.3. At least two weeks before the date of transfer the National Consumer Council shall prepare:

2.3.1. a list of the names of all employees who are to transfer (such list to be amended to include any new employees up to the date of transfer); and

2.3.2. a schedule of employee liability information (such list to be amended to be complete up to the date of the transfer), namely a schedule containing, in relation to each and every employee who is to transfer, details of:

- Name and age
- The content of the statement of initial employment particulars required by Section 1 of the Employment Rights Act 1996
- Any unspent disciplinary action taken against the employee in the past 2 years
- Any grievance taken by the employee in the past 2 years
- Any Court or Employment Tribunal case brought, or which may be brought, by the employee arising out of their employment

3. Contractual terms and conditions

3.1. The contracts of employment of those employees who fall within paragraph 2.1 above ("the transferring employees") will not be terminated by the transfer and will have effect from the date of transfer as if originally made between the transferring employees and the corresponding organisation.

3.2. On the date of transfer all rights, duties and liabilities of the National Consumer Council under or in connection with a transferring employee's contract of employment will transfer to the corresponding organisation.

3.3. Anything done before the date of transfer by the National Consumer Council in respect of the contract or transferring employee is to be treated from that date as having been done by the corresponding organisation.

3.4. If a transferring employee objects to the transfer his or her contract of employment will not transfer and that contract will terminate immediately

before the date of transfer. A transferring employee will not be entitled to treat him or herself as dismissed by reason either of the transfer of his contract of employment or of its termination as a consequence of his or her objection to that transfer.

3.5. The provisions of paragraphs 3.2 – 3.4 above are without prejudice to any right of a transferring employee to treat his or her contract as having been terminated if the transfer involves or would involve a substantial change in his or her working conditions to his or her material detriment, but no such right shall arise by reason only of the change in employer.

3.6. Employees who transfer from the National Consumer Council to a corresponding organisation will remain members of the Principal Civil Service Pension Scheme ("PCSPS") and their entitlements under the PCSPS will be unaffected.

4. Consultation

4.1. For employees in posts identified for transfer (Schedule 2), the National Consumer Council began formal consultation with the trade union on 8th October 2013 and with staff on 21st October 2013.

4.2. Staff were sent a consultation pack together with an individual letter setting out how they would be affected by the transition and asked to indicate, without obligation, their intention to transfer (or not), based on information provided to them at that time.

4.3. This consultation process with union representatives, the Negotiating Committee, staff and Citizens Advice, Citizens Advice Scotland and the General Consumer Council for Northern Ireland (the corresponding organisations) will continue up to the date of transfer.

5. Disputes

5.1. Any grievance brought by an employee of the National Consumer Council concerning or arising from this Scheme shall be considered under the National Consumer Council's internal grievance procedure.

5.2. Paragraph 5.1 above is without prejudice to any right the employee may have to bring a complaint in the Employment Tribunals.

6. Collective agreements

6.1. Trade Unions recognised by the National Consumer Council will be recognised by the corresponding organisation.

6.2. Existing national collective bargaining arrangements with recognised Trade Unions which bind the National Consumer Council will bind the corresponding organisations.

6.3. Existing local negotiating and consultation arrangements between recognised Trade Unions and the National Consumer Council will continue as though they had been made with the corresponding organisations.

6.4. Any other existing local consultation arrangement between workplace organisations (other than recognised Trade Unions) and the National Consumer Council will continue on the same terms with the corresponding organisation.

7. Transfer of property, rights and liabilities from the National Consumer Council to the corresponding organisations

7.1. On the transfer date, the property, rights and liabilities of the National Consumer Council specified in paragraph 7.2 are transferred to the corresponding organisations.

7.2. The property, rights and liabilities referred to in paragraph 7.1 above are –

7.2.1. the land, leasehold interests, licences and agreements specified in Schedule 3;

7.2.2. the property, furniture, fittings, plant, equipment, and machinery specified in Schedule 4;

7.2.3. the information technology equipment specified in Schedule 5;

7.2.4. [any unfinished goods, stocks, inventory, stores and raw materials which are used by or in connection with or are otherwise attributable to the National Consumer Council];

7.2.5. the contracts and agreements specified in Schedule 6;

7.2.6. all non contractual rights and liabilities which are exercisable against any third party, whether actual or contingent, accrued or accruing of whatsoever nature and whether arising under quasi-contract, or in tort or under any trust or fiduciary relationship of whatsoever nature or under any statute or regulations;

7.2.7. all non contractual rights and liabilities of whatsoever nature in respect of any claims by any third parties against the National Consumer Council whether actual, contingent, accrued or accruing and whether arising in tort or under any trust or fiduciary relationship of whatsoever nature or under any statute or regulations insofar as the same relate to or arise under or in respect of the activities of the National Consumer Council, which for the avoidance of doubt, shall include the obligations and liabilities in respect of the matters specified in Schedule 7;

7.2.8. the property, rights and liabilities the National Consumer Council has under any insurance policy specified in Schedule 8;

7.2.9. the bank accounts specified in Schedule 9;

7.2.10. the legacy pension liabilities of former Energywatch and Postwatch employees in Schedule 10;

7.2.11. the intellectual property rights, data and domain names specified in Schedule 11;

7.2.12. the documents, files and other records specified in Schedule 12;

7.2.13. [any other property, rights or liabilities of the National Consumer Council, with the exception of the property, rights and liabilities referred to under paragraphs 8 and 9.]

8. Transfer of property, rights and liabilities from the National Consumer Council to the Secretary of State for Business, Innovation and Skills

8.1. On the date of transfer the property, rights and liabilities of the National Consumer Council in Schedule 13 transfer to the Secretary of State for Business, Innovation and Skills.

9. Transfer of property, rights and liabilities from the National Consumer Council to the Secretary of State for the Ministry Of Defence

9.1. On the date of transfer the property, rights and liabilities of the National Consumer Council in Schedule 14 transfer to the Secretary of State for the Ministry of Defence and other corresponding organisations

10. Consequential and supplementary provisions

10.1. Transfers under this Transfer Scheme have effect –

10.1.1. Irrespective of whether or not they could be transferred otherwise than by this Transfer Scheme; and

10.1.2. Irrespective of whether consent of a third party or any other procedure would be required if the transfer were effected otherwise than by this Transfer Scheme.

[Date]

[Name]

[Position]

For and on behalf of the Secretary of State for Business, Innovation and Skills

SCHEDULE 1

List of relevant teams within the National Consumer Council and corresponding organisations

The National Consumer Council	**Corresponding organisation**
Senior Management Team	Citizens Advice, Citizens Advice Scotland
Energy Team	Citizens Advice, Citizens Advice Scotland
Post Team	Citizens Advice, Citizens Advice Scotland, General Consumer Council for Northern Ireland
Research, Insight, Data Analysis Team	Citizens Advice
New posts, Cross-Sector and Other	Citizens Advice
Water Team	Citizens Advice Scotland
EHU (Extra Help Unit)	Citizens Advice Scotland

SCHEDULE 2 the relevant posts

INDICATIVE LIST OF THE NATIONAL CONSUMER COUNCIL POSTS FOR TRANSFER (UPDATED OCTOBER 2013)

	POST	LOCATION	INDICATIVE POSITION AT 31/3/14	CitA[9]	CAS[10]	GCCNI[11]
Senior Management Team	Director of Energy	London	Transfer to CitA	1		
	Director of Postal Policy & Regulation	London	Transfer to CitA	1		
	Director of Cross Sector	London	Transfer to CitA	1		
	Senior Director Scotland	Glasgow	Transfer to CAS, relocate to Edinburgh		1	
Energy	Head of Smart & Sustainable Energy	London	Transfer to CitA	1		
	Head of Energy Retail	London	Transfer to CitA	1		
	Head of Fuel Poverty	London	Transfer to CitA	1		
	Head of Energy Regulation	London	Transfer to CitA	1		
	Policy Manager (1)	London	Transfer to CitA	1		
	Policy Manager (2)	London	Transfer to CitA	1		
	Policy Manager (3)	London	Transfer to CitA	1		
	Policy Manager (4)	London	Transfer to CitA	1		
	Policy Manager - Energy (5)	London	Transfer to CitA	1		
	Policy Manager - Energy (6)	London	Transfer to CitA	1		
	Policy Manager - Energy Efficiency & Microgeneration (8)	London	Transfer to CitA	1		
	Policy Manager	Glasgow	Transfer to CAS, relocate to Edinburgh		1	
	Policy Manager	Glasgow	Transfer to CAS, relocate to Edinburgh		1	
	Policy Manager	Cardiff	Transfer to CitA	1		
	Senior Public Affairs Advocate	London	Transfer to CitA	1		
	Policy Advocate (1)	London	Transfer to CitA	1		
	Policy Advocate (2)	London	Transfer to CitA	1		
	Policy Advocate (3)	London	Transfer to CitA	1		
	Policy Advocate 0.5 (other 0.5 in Post)	Glasgow	Transfer to CAS, relocate to Edinburgh		0.5	
	Public Affairs Advocate	London	Transfer to CitA	1		
POST	Head of POs & Essential Community Services	London	Transfer to CitA	1		

[9] CitA refers to Citizens Advice
[10] CAS refers to Citizens Advice Scotland
[11] GCCNI refers to the General Consumer Council for Northern Ireland

	Head of Postal Services	London	Transfer to CitA	1		
	Head of Postal Policy (NI)	Northern Ireland	Transfer to CCNI			1
	Policy Manager	Glasgow	Transfer to CAS, relocate to Edinburgh		1	
	Policy Manager	Cardiff	Transfer to CitA	1		
	Policy Manager - PO & Ess Community Svces (1)	London	Transfer to CitA	1		
	Policy Manager - PO & Ess Community Svces (2)	London	Transfer to CitA	1		
	Policy Manager - Postal Services (3)	London	Transfer to CitA	1		
	Policy Manager - Postal Services (4)	London	Transfer to CitA	1		
	Policy Manager - Postal Services NI	Northern Ireland	Transfer to CCNI			1
	Public Affairs Manager	London	Transfer to CitA	1		
	Network Adviser PO & Ess Community Svces	London	Transfer to CitA	1		
	Policy Advocate (1)	London	Transfer to CitA	1		
	Policy Advocate (2)	London	Transfer to CitA	1		
	Policy Advocate (other 0.5 in Energy)	Glasgow	Transfer to CAS, relocate to Edinburgh		0.5	
RESEARCH, INSIGHT, DATA ANALYSIS	Head of Market Information & Data Analysis	London	Transfer to CitA	1		
	Head of Research & Insight	London	Transfer to CitA	1		
	Senior Researcher	London	Transfer to CitA	1		
	Senior Data Analyst	London	Transfer to CitA	1		
	Data Analyst	London	Transfer to CitA	1		
NEW POSTS, CROSS SECTOR & OTHER	Director Consumer Vulnerability	London	Transfer to CitA	1		
	Head of Policy	Cardiff	Transfer to CitA	1		
	Policy Manager (1)	London	Transfer to CitA	1		
	Policy Manager Digital Communications (2)	London	Transfer to CitA	1		
	New Posts					
	Director Strategic Infrastructure	London	Transfer to CitA	1		
	PPA - Small Business	London	Transfer to CitA	1		
	Infrastructure Economist	London	Transfer to CitA	1		
	Policy Manager Electricity Networks	London	Transfer to CitA	1		
WATER	PPA - Head of Water and Regulation	Glasgow	Transfer to CAS, relocate to Edinburgh		1	
	Policy Manager	Glasgow	Transfer to CAS, relocate to Edinburgh		1	

	Policy Advocate	Glasgow	Transfer to CAS, relocate to Edinburgh		1	
EHU	Head of EHU	Glasgow	Transfer to CAS, Glasgow		1	
	Deputy Head of EHU	Glasgow	Transfer to CAS, Glasgow		1	
	EHU Team Manager (1)	Glasgow	Transfer to CAS, Glasgow		1	
	EHU Team Manager (2)	Glasgow	Transfer to CAS, Glasgow		1	
	Senior Caseworker (1)	Glasgow	Transfer to CAS, Glasgow		1	
	Senior Caseworker (2)	Glasgow	Transfer to CAS, Glasgow		1	
	Knowledge Base Co-ordinator	Glasgow	Transfer to CAS, Glasgow		1	
	Caseworker (1)	Glasgow	Transfer to CAS, Glasgow		1	
	Caseworker (2)	Glasgow	Transfer to CAS, Glasgow		1	
	Caseworker (3)	Glasgow	Transfer to CAS, Glasgow		1	
	Caseworker (4)	Glasgow	Transfer to CAS, Glasgow		1	
	Caseworker (5)	Glasgow	Transfer to CAS, Glasgow		1	
	Caseworker (6)	Glasgow	Transfer to CAS, Glasgow		1	
	Caseworker (7)	Glasgow	Transfer to CAS, Glasgow		1	
	Caseworker (8)	Glasgow	Transfer to CAS, Glasgow		1	
	Caseworker (9)	Glasgow	Transfer to CAS, Glasgow		1	
	Caseworker (10)	Glasgow	Transfer to CAS, Glasgow		1	
	Caseworker (11)	Glasgow	Transfer to CAS, Glasgow		1	
	Caseworker (12)	Glasgow	Transfer to CAS, Glasgow		1	
	Caseworker (13)	Glasgow	Transfer to CAS, Glasgow		1	
	Caseworker (14)	Glasgow	Transfer to CAS, Glasgow		1	
	Assistant Administrator (1)	Glasgow	Transfer to CAS, Glasgow		1	
	Assistant Administrator (2)	Glasgow	Transfer to CAS, Glasgow		1	
TOTAL			**77**	**44**	**31**	**2**

SCHEDULE 3
List of Land, leasehold interests, licences and agreements transferred from the National Consumer Council to the Corresponding Organisation identified in the table below

Land, leasehold interest, licence, agreement	Corresponding Organisation
3rd fl Royal Exchange House, Glasgow (LEASE expiry 1/8/2014 but plan is to surrender lease by 31 March 2014)	To Citizens Advice Scotland **but** only in the event that CAS are not ready to move EHU to Tara House by 31 March 2013
3 desks occupied at Elizabeth House, Belfast (Memorandum of Terms of Occupation) to be regularised prior to transfer	To General Consumer Council for Northern Ireland

SCHEDULE 4
List of property, furniture, fittings, plant, equipment, and machinery transferred from the National Consumer Council to the Corresponding Organisation identified in the table below.

[Any property, furniture, fittings, plant, equipment, and machinery other than listed in the table below will be written-off before transfer]

Property, furniture, fittings, plant, equipment, and machinery	Corresponding Organisation
2 x large display units 1 x Lecturn 1 x Dishwasher 1 x Mini fridge 3 x Fridges 1 x Shredder 3 x Microwaves 6 x Flasks	Citizens Advice
15 x Meeting tables 78 x Office chairs 8 x Filing cabinets 67 x Meeting chairs 80 x Pedestals 10 x coathangers 78 x desks 2 x Flipchart stands 3 x Trollies 17 x Desktop fans 1 x Electric drill 1 x Electric screwdriver	Citizens Advice Scotland

10 x Coat rails and coat stands 7 x Fridges 2 x Ladders 14 x Notice boards 1 x Binder 3 x Dishwashers 3 x Microwaves	
3 x desks	The General Consumer Council for Northern Ireland

SCHEDULE 5
List of information technology equipment transferred from the National Consumer Council to the Corresponding Organisation identified in the table below

[Any information technology equipment, other than listed in the table below will be written-off before transfer]

Information technology equipment	Corresponding Organisation
1 x Video-conferencing kit 1 x ISDN dialler 1 x Fitted projector and screen 3 x Photocopiers	Citizens Advice
1 x Fax machine 1 x Video-conferencing kit 1 x ISDN dialler 1 x Fitted projector and screen 5 x Printers 1 x Digital camera 3 x Desktop scanners 3 x Photocopiers 1 x Franking machine	Citizens Advice Scotland
3 x desktop PC's	The General Consumer Council for Northern Ireland

SCHEDULE 6
List of Contracts transferred from the National Consumer Council to the Corresponding Organisation identified in the table below

Contracts	Corresponding Organisation
Amazon AWS (0789-1013-8040) ARC GIS Skeddly 1 and 1 (19046827, 11323142, 11323173) Eduserv (1072013) 123 Reg (Cflabs)	Citizens Advice
Microsoft Exponential-E	Citizens Advice Scotland
Licences	**Corresponding Organisation**
SO-00013 - Ordnance Survey Software SO-00015 - GIS Software Juniper support (SLA10173) WatchGuard (SLA13907)	Citizens Advice
LI-00002 - Backup exec licences LI-00008 - MS Server Enterprise licence LI-00009 - MS Exchange Server licence LI-00010 - MS Exchange – individual PCU's LI-00011 - Remote Access Licence SO-00006/7– V10 Backup Software SO-00015 – Windows terminal software Microsoft Volume Licensing (U5512651)	Citizens Advice Scotland

SCHEDULE 7
Third party claims transferred from the National Consumer Council to the Corresponding Organisation identified in the table below

Claim	Corresponding Organisation
None	

SCHEDULE 8
Insurance policies transferred from the National Consumer Council to the Corresponding Organisation identified in the table below

Insurance Policy	Corresponding Organisation
None	

SCHEDULE 9
Bank Accounts transferred from the National Consumer Council to the Corresponding Organisation identified in the table below

Bank Accounts	Corresponding Organisation
None transferring	

SCHEDULE 10
Legacy Pension Provisions transferred from the National Consumer Council to the Corresponding Organisation identified in the table below

Legacy Pension Provisions	Corresponding Organisation
1. Pension liabilities in respect of 14 ex-EnergyWatch and 9 ex-PostWatch individuals who took early retirement/redundancy either prior to or immediately following the creation and merger of these bodies into the National Consumer Council under the Consumer Estate Agents and Redress (CEAR) Act 2007. The 23 individuals posts in their former organisations were: a) EnergyWatch: 1 x Regional Director 1 x Resource Manager 1 x Team Leader 1 x Priority Consumer Adviser 8 x Consumer Advisers 2 x Office Administrators b) PostWatch: 1 x Chief Executive 1 x Managing Director, Royal Mail and Post Office Policy 1 x Senior Director, External Relations 1 x Director of Consumer Services 1 x Director of Planning 1 x Head of HR 2 x Regional Executives 1 x Regional Manager 2. Pension liabilities in respect of former Energywatch Chairmen of the Electricity Consumer Committees (ECC). [The number of individuals continuing to receive pension payments at 31 March 2014 is 15]	**Citizens Advice**

SCHEDULE 11

Intellectual property rights, data and domain names transferred from the National Consumer Council to the Corresponding Organisation identified in the table below

Intellectual Property	Corresponding Organisation
Domain Names	
ciri.org.uk(MX) consumer-focus.co.uk(DNS)(MX) consumer-focus.org.uk(DNS)(MX) consumerfocus-post.co.uk(MX) consumerfocus-post.org.uk(DNS) consumerfocus-scotland.co.uk(MX) consumerfocus-wales.co.uk(MX) consumerfocusni-post.org.uk(MX) consumerfocusni.co.uk(MX) consumerfocusnorthernireland.org.uk(MX) consumerfocusscotland.co.uk(MX) consumerfocusscotland.org.uk(MX) consumerfocuswales.co.uk(MX) consumerfocuswales.org.uk(MX) fuelpovertycharter.org.uk(DNS)(MX) fuelpovertycharterwales.org.uk(DNS)(MX) nationalsocialmarketingcentre.org.uk(MX) ncc.org.uk(DNS)(MX) nsmc-forum.org.uk(DNS)(MX) nsmcentre.com(MX) nsmcentre.org(MX) nsms.org.uk(DNS) ricu.org.uk(MX) rmac.org.uk(MX) s316760654.websitehome.co.uk(MX) www.consumerfocus-post.org.uk(DNS)(MX) consumerfocus-england.co.uk(MX) consumerfocus-england.org.uk(MX) consumerfocus-scotland.org.uk(DNS) consumerfocus-wales.org.uk(DNS) consumerfocus.org.uk(DNS) energyapps.consumerfocus.org.uk(DNS)(MX) legacy.consumerfocus.org.uk(DNS)(MX) mail.consumerfocus.org.uk(DNS)(MX) remote.consumerfocus.org.uk(DNS)(MX) s316760676.websitehome.co.uk(MX) www.consumerfocus-wales.org.uk(DNS)(MX) www.consumerfocus.org.uk(DNS)(MX) cciri.org.uk(MX) ccirm.org.uk(MX) consumerfocusni-post.co.uk(MX) consumerfocusni.org.uk(MX) consumerfocusnipost.co.uk(MX) consumerfocusnipost.org.uk(MX) consumerfocusnorthernireland.co.uk(MX)	Citizens Advice

consumerfocuspost.co.uk(MX) consumerfocuspost.org.uk(MX) consumerfocus-cymru.co.uk(MX) consumerfocus-cymru.org.uk(MX) llaisdefnyddwyr-cymru.co.uk(MX) llaisdefnyddwyr-cymru.org.uk(DNS) llaisdefnyddwyrcymru.co.uk(MX) llaisdefnyddwyrcymru.org.uk(DNS)(MX) smallbusinessenergy.org.uk(DNS) energywatchhost.org.uk(DNS) fwp.newncc-startup.org.uk(DNS) mail.energywatchhost.org.uk(MX) mail.newncc-startup.org.uk(DNS) newncc-online.org.uk(DNS)(MX) newncc-startup.org.uk(DNS) remote.newncc-startup.org.uk(DNS)(MX) www.newncc-online.org.uk(DNS)(MX) cflabs.co.uk(DNS) cflabs.org.uk(DNS) consumerfutures.org.uk(DNS)(MX) consumerfutures.co.uk(DNS) recalledproducts.eu(DNS) recalledproducts.org(DNS) recalledproducts.org.uk(DNS)	
Trademarks	
Consumer Focus logo (2503569)	Citizens Advice

SCHEDULE 12

Documents, files and other records transferred from the National Consumer Council to the Corresponding Organisation identified in the table below

Intellectual Property	Corresponding Organisation
Electronic data drives	
P and Q drives, Servicemail	Citizens Advice Scotland
R, S, U and T drives, GIS	Citizens Advice
Specific data	
Copyright Files Banking and Park Homes	Citizens Advice

SCHEDULE 13

Transfer of property, rights and liabilities from the National Consumer Council to Secretary of State for Business, Innovation and Skills

Leases	
3rd fl Royal Exchange House, Glasgow (LEASE expiry 1/8/2014 but plan is to surrender lease by 31 March 2014)	To SoS, BIS, in the event only that either the lease cannot be surrendered early, i.e. before 1 August 2014, or it is

	transferred to CAS as set out in Schedule 3
Contracts/Licences	
LI-00003 Open Accounts Licence LI-00005 Licenses for EBIS users	
Bank accounts	
Main Account: Sort Code: 30-98-97 Account Number: 02538101 Account Name: New National Consumer Council T/A Consumer Futures **Pension Account** Sort Code: 30-98-97 Account Number: 02543652 Account Name: New National Consumer Council Pen Pay	Accounts to be closed and balances in both accounts to transfer to BIS on 1 April 2014
Cash and debtors	
Physical Records	Transferred to TNT under BIS ownership

SCHEDULE 14

Transfer of property, rights and liabilities from The National Consumer Council to the Corresponding Organisations in the table below

Office equipment: 2 x kettles 1 x fridge 1 x ladder 10 x noticeboards 3 x recycling bins 2 x trolleys 1 x fax machine 2 x TV and roof aerial 1 x vacuum cleaner 1 x microwave IT equipment: [awaiting detail]	Secretary of State for the Ministry of Defence
Furniture: 13 x meeting tables 68 x office chairs 73 x red meeting chairs	Competition and Markets Authority

2 x bookshelves 54 x pedestals 12 x coat hangers 12 x low cabinets 23 x tall cabinets 65 x desks 20 x lockers	
Furniture: 6 x meeting tables 25 x office chairs 12 x filing cabinets 25 x pedestals 25 x desks	UK Health Forum
Office equipment: 1 x fridge 2 x safes 2 x recycling bins 1 x laminator 1 x binder 1 x video conferencing kit 1 x ISDN dialler 1 x fitted projector and screen 1 x shredder 1 x translation equipment 1 x finance scanner	Companies House

Annex E: Draft transfer scheme dealing with the transfer to Powys trading standards

ESTATE AGENTS ACT 1979 TRANSFER SCHEME

Transfer of the Office of Fair Trading's functions under the Estate Agents Act 1979: Transfer Scheme 2014

Explanatory Note

The Office of Fair Trading ("OFT") was established by the Enterprise Act 2002. It has a wide range of functions in the competition and consumer fields, including functions under the Estate Agents Act 1979 ("the 1979 Act") in relation to Great Britain.

The OFT will be abolished on 1st April 2014 in an Order to be laid under the Enterprise and Regulatory Reform Act 2014. A new body, the Competition and Markets Authority, will take over most of its functions, but with a greater emphasis on competition rather than the consumer field.

The regulation of estate agents under the 1979 Act is in the consumer field and the Government are proposing to use the powers in the Public Bodies Act 2011 to transfer these functions to a lead enforcement authority.

The National Trading Standards Board has run a competitive selection process, open to local weights and measures authorities in Great Britain and the Department for Enterprise, Trade and Investment in Northern Ireland, to a select a lead enforcement authority for a three-year term beginning 1 April 2014. Powys County Council was selected and the OFT's functions under the 1979 Act will be transferred to them.

The identity of the lead enforcement authority could change following subsequent selection processes and the Government will, at a later date, use primary legislation to create an Order making power to enable this change to take place.

This Transfer Scheme transfers property, rights and liabilities from the OFT to Powys County Council.

[The Secretary of State, in exercise of powers conferred by section 23 of the Public Bodies Act 2011, makes the following Transfer Scheme ("Transfer Scheme").]

[The Secretary of State has made the Public Bodies (Abolition of the National Consumer Council and Transfer of the Office of Fair Trading's Functions in relation to Estate Agents etc) Order 2014, under section 5 of the Public Bodies Act 2011, transferring functions from the OFT to Powys County Council.]

1. Date of transfer and interpretation

1.1. The transfer will take place on the 31st March 2014 ("the date of transfer").

1.2. In this Transfer Scheme –

"the 1979 Act" means the Estate Agents Act 1979;

"liabilities" includes contingent liabilities;

"OFT" means the Office of Fair Trading; and

"the Order" means the Public Bodies (Abolition of the National Consumer Council and Transfer of the Office of Fair Trading's Functions in relation to Estate Agents etc) Order 2014.

2. Transfer of property, rights and liabilities

2.1. Subject to paragraphs 13 and 14 of Schedule 2 to the Order, all property, rights and liabilities of the OFT in connection with or arising from their functions under the Estate Agents Act 1979 transfer to Powys County Council on the date of transfer.

2.2. The property, rights and liabilities referred to in paragraph 2.1 include –

2.2.1. all records relating to the OFT's functions under the 1979 Act, in particular –

2.2.1.1. the data listed in Schedule 1;

2.2.1.2. the physical records listed in Schedule 2;

2.2.2. all monies wherever held relating to applications made to the OFT under section 6 of the 1979 Act that have not been determined by the OFT on the date of transfer;

2.2.3. property acquired and rights and liabilities arising in the period after the making of this Scheme and before the date of transfer; and

2.2.4. rights and liabilities arising subsequently in respect of matters occurring in the period referred to in paragraph 2.2.3.

3. Consequential and supplementary provisions

3.1. References to the OFT in any agreement (whether written or not), instrument or other document in connection with or relating to the property, rights or liabilities transferred to Powys County Council by this Transfer Scheme are to be treated as references to Powys County Council.

3.2. No right to terminate or vary an agreement (whether written or not), instrument or other document in connection with or relating to the property, rights or liabilities transferred to Powys County Council by this Transfer Scheme is to operate or become exercisable, by reason of any transfer under or in operation of this Transfer Scheme.

3.3. No provision of or right of restriction or limitation arising in an agreement (whether written or not), instrument or other document in connection with or relating to the property, rights or liabilities transferred to Powys County Council by this Transfer Scheme is to operate or become exercisable or be contravened, by reason of any transfer under or in operation of this Transfer Scheme.

3.4. Transfers under this Transfer Scheme have effect -

3.4.1. irrespective of whether or not they could be transferred otherwise than by this Transfer Scheme; and

3.4.2. irrespective of whether consent of a third party or any other procedure would be required if the transfer were effected otherwise than by this Transfer Scheme.

[Date]

[Name]

[Position]

For and on behalf of the Secretary of State for Business, Innovation and Skills

SCHEDULE 1
Data transferred from OFT to Powys County Council

Description of Data	Data Location
The Public Register of Estate Agents maintained under section 8 of the 1979 Act	OFT Website
Information on the OFT Website relating to the 1979 Act (other than the Public Register of Estate Agents)	OFT Website
Information on the OFT Intranet relating to the 1979 Act	OFT Intranet
Case details relating to prohibition orders, warnings order and other investigations under the 1979 Act	Case Management System on the OFT server
Legal advice relating to the 1979 Act	G: drive on the OFT server
Policy advice relating to the 1979 Act	G: drive on the OFT server

SCHEDULE 2
Physical records transferred from OFT to Powys County Council

Description of Physical Records
Case files for investigations under the 1979 Act
Policy files relating to the 1979 Act
Legal advice files relating to the 1979 Act
Files relating to the Public Register of Estate Agents under section 8 of the 1979 Act
Correspondence files relating to the 1979 Act
Applications to vary or revoke an order under section 6 of the 1979 Act

Annex F: Draft funding agreement for Citizens Advice/Citizens Advice Scotland – Subject to Amendments

CITIZENS ADVICE/CITIZENS ADVICE SCOTLAND

GRANT ALLOCATION – 2014-2015

This letter sets out your grant allocation for the 2014-2015 financial year, the detail of which can be found at Annex A.

This grant allocation is provided to support you in the delivery of your Corporate and Business plans, including the Consumer Futures work programme, for the 2014-15, financial year. In addition to the specific terms set out in the attached annex, please note some important overarching principles about this funding:

- The department's overall funding level has been set for each year of the Spending Review period (2011-12 to 2014-15). As you are aware we are operating within a dynamic environment and if the department's level of overall funding is decreased due to wider events or in order to cover other unavoidable financial pressures, the Department may, within the framework set by Parliament and the courts, need to make in year adjustments to allocations to our Partner Organisations in order to meet budget reductions.

- The Department is committed to ensuring timely and adequate notice is provided in relation to whether any such 'claw-back' of funding is required and to discussing with you the wider implications of any such action, wherever possible. You should therefore ensure that your profile of monthly expenditure is accurate at the start of the year, and is regularly reviewed, so that if a material level of funding is required to be returned to BIS that you will be able to manage your financial payments and, where relevant, supply chains accordingly. Of course if it became necessary to take such hypothetical decisions, we would continue to give priority to those funding streams which we judged were most important to encouraging sustainable growth.

- Financial risk management is a matter for your organisation which means that in delivering your objectives you will have to manage your own finances, commitments and risks within your allocation and ensure you can accommodate any unexpected costs within your own budget.

- This grant agreement exempts you from the ERG spending controls, but I would nevertheless ask you to be mindful of the Parliamentary rules and additional controls that are in place. These can be found at: http://www.hm-treasury.gov.uk/d/mpm_annex7.4.pdf (Appendix 2)

2. Financial Management and Reporting

- You should report to BIS on performance and have regular discussions with the appropriate BIS officials covering finance, performance and risk; and contribute to any in-year reallocation or savings exercises as required as well as the Estimates and Supplementary Estimates processes.

- When reporting you should include:

    - accurate and timely actual figures and forecasts of income and expenditure broken down to an agreed level; information about the risks to expenditure and income forecasts and about potential underspends
    - Periodic (typically quarterly) reporting on progress against non-financial performance metrics

- Any request for funding above/beyond the grant allocation will need to be accompanied by a proportionate and well structured business case.

- **Financial decisions** and the responsibility for delivery remain, of course, with you in consultation with your stakeholders but we all need to recognise the need for transparency and timely information-sharing as we work our way through the spending review.

3. The year-end timetable and mid-year process for 13-14

- We will be aiming to confirm firm allocations and provide updated indicative allocations for 2015-16 by the end of January 2015. However given that we will need to reflect any announcements on overall budgets made at the Chancellor's Autumn Statement, there is a risk that this will shift back to end February depending on what is announced in this Statement.

- In order to provide management information for BIS senior management and ministers on performance, finances and risk we may need you to provide information to feed into some of our regular reporting cycles. We are aware of the burden that some of that reporting might represent, and are committed to continually improve and streamline our management information requests from partner organisations in order to balance this.

Finally, I have asked the heads of all sponsor teams to continue to report to me monthly about partner organisations' financial position and, on at least a quarterly basis, to have a more thorough discussion with you about your financial performance. Financial decisions remain, of course, for you but you will recognise the need for transparency and timely information sharing as we work our way through the financial year.

Annex A: Budget Allocations

Control Totals	2015-16 Indicative (£'000)
Grant funding (unrestricted)	[ ]
Citizens Advice Consumer Service (ring-fenced)	[ ]
Consumer Futures	[ ]
Total Resource DEL	**[ ]**

NOTES ON THE ALLOCATIONS

The unrestricted grant funding includes:

	2014-15
Core grant	£ [ ]
General Advocacy	£ [ ]
Consumer Education	£ [ ]
Total unrestricted grant	**£ [ ]**

BIS DELIVERY PRIORITIES

This grant allocation is to allow you to deliver against your corporate business plan. Within that, this includes the specific delivery of:

- Telephone advice and information on general consumer issues and issues specifically relating to the energy and postal industries through the **Citizens Advice Consumer Service**;
- Advocacy and education on general consumer issues; and
- Delivery of the Consumer Futures work programme.

These contribute to the BIS objective of providing "An effective consumer framework delivering growth and consumer welfare, with minimum regulatory burdens on business".

[Citizens Advice Consumer Service [applies to Citizens Advice only]

The grant for delivery remains restricted. Payment will be made quarterly in arrears on receipt of an invoice with an accompanying report showing the contacts for the energy and postal sectors separately, and, in the case of the postal sector, a further breakdown between those relating to licensed and non-

licensed products/services. This will then enable BIS to calculate and collect the industry levy due. All other contacts are deemed as relating to general consumer issues and will be paid for from your unrestricted grant allocation.]

Additionally you should provide BIS with a mid-year progress report on the full service after Quarter 2 and an end-year report as soon as possible after the end of the financial year. Those reports should include progress against the agreed Key Performance Indicators (KPI's)

General consumer advocacy and education

The allocation to deliver general consumer advocacy and education has been included in your unrestricted core grant. This enables you to embed delivery within your overall programme of work to support your business and corporate plans.

Consumer Futures

The grant allocation is to allow you to deliver against the work programme on those projects which specifically relate to [England & Wales] [Scotland]; those which are GB-wide as agreed with [CitA] [CAS]; those that relate to postal issues that are UK-wide, as agreed with [CitA] [CAS] and GCCNI; and on the cross-cutting sectoral elements of the programme.

Performance will be measured against outcomes as specified in the work programme; where projects extend beyond one-year, progress will be measured towards completion. You will need to provide a report on progress at mid-year and a full report as soon as possible after the year-end.

The element of your grant for delivering Consumer Futures is restricted as funding –apart from the cross-sectoral work - is derived wholly from the industry levy and delivery of that levy funded work must be transparent.

Please note that part of the work programme will cover the discharge of statutory functions under the Consumer Estate Agents and Redress (CEAR) Act 2007.

Discharging of statutory functions

The Public Bodies (Abolition of the National Consumer Council and transfer of the Office of Fair Trading's function in relation to Estate Agents) Order 2013 (xxxx) set out those relevant functions of the National Consumer Council which will transfer to Citizens Advice, Citizens Advice Scotland and the General Consumer Council for Northern Ireland on 1st April 2014. In discharging those functions, the Secretary of State requires you to:

- Consult with him annually on the draft of your forward work programme and separately with the national governments of Scotland and Wales.
- In respect of any postal work planned on a UK-wide basis, you should also consult with the General Consumer Council for Northern Ireland who will be discharging that function on behalf of consumers in Northern Ireland and producing their own work programme. That consultation process should take place ahead of any formal consultation with other stakeholders.
- Include in that forward work programme an estimate of the expenditure which will be incurred against each element of the programme to support delivery.
- Ensure the work programme reflects the interests of consumers in different areas, including those that might be deemed "vulnerable" and specifically the investigation of complaints raised by consumers at threat of disconnection of their gas or electricity supply.
- As soon as reasonably practicable after the end of the financial year, prepare and publish an annual report on delivery against the work programme and, any additional work either voluntarily undertaken or requested in-year.
- That annual report should be sent to the Secretary of State and the Ministers of the Scottish and Welsh Governments. BIS will provide a copy of that report to Parliament.
- Delivery and success will be dependent on maintaining close working relationships and you should ensure that you develop and maintain memorandum of understanding on working arrangements with [Citizens Advice] [Citizens Advice Scotland], the General Consumer Council for Northern Ireland, the sector regulators – Ofgem and Ofcom – and any other stakeholders deemed necessary to delivering the work programme.

Payments – unrestricted grant

Grant payments should not be made in advance of need and will only be paid on receipt of a certified Proof of Need (PON), signed by the CEO or another senior officer nominated by the CEO for that purpose. For cash management purposes you will need to notify the Department of your expected monthly claim at the beginning of the month preceding that in which payment is required.

DRAFT GRANT AGREEMENT – SUBJECT TO AMENDMENTS