1 Background

1.1 This framework document has been drawn up by the Department for Work and Pensions (the Department) in consultation with the Disabled People’s Employment Corporation (GB) Ltd (the Company) and the Company’s intended Liquidators (Laura Waters and Rob Lewis of PricewaterhouseCoopers LLP) for the period of MVL until it is dissolved. It sets out the broad framework within which the Company will operate and the extent of the authorities and responsibilities of the Department and the Company. It does not convey any legal powers or responsibilities.

1.2 The existing framework document, dated 29 February 2016, shall continue to apply until the Company enters MVL.

1.3 This document does not replace the constitution of the Company comprising the Articles and Memorandum of Association which take precedence. Otherwise, should there be a conflict between the provisions of this document and any existing governance documents, this agreement takes precedence.

1.4 The Company is a non-departmental public body (NDPB) sponsored by the Department. It is entering MVL and will only exist until the process of liquidation is complete and it is no longer registered at Companies House.

1.5 The Company’s Liquidators will be assisted by the Department in achieving an orderly winding up.

1.6 Any remaining assets of the Company will ultimately be repaid or returned to the Department, and the Department will also settle, on a non-recourse basis, all liabilities (including, but not limited to, the costs of the MVL process and interest on claims) that exist at the point of entering MVL or arise in the course of the liquidation, to the extent that the Company has insufficient funds to do so itself, as confirmed in the DWP Finance Director General’s letter to the Directors of the Company of 14 September 2017.

1.7 Shortly after entering MVL (timing to be agreed between the Liquidator, the Accounting Officer and the Department), the Company is expected to pay any remaining cash balances over to the Department. From then on, the Department will deal directly with invoices relating to the Company.

2 Purpose of the Company

2.1 The purpose of the Company is to fulfil its outstanding obligations under the Companies Act 2006 until the process of liquidation is complete and it is no longer registered at Companies House.

2.2 Under the control of the Joint Liquidators, the Company’s chief aims are to:
   - complete the solvent liquidation in a timely manner
   - achieve Value for Money (VFM) for the taxpayer.
2.3 Key aspects of finalising the liquidation include:
- disposing of any remaining assets
- managing any legal claims against the Company
- terminating any existing contracts.

2.4 The Company will also comply with legal and government requirements such as publishing accounts, filing tax, VAT and PAYE returns etc as required.

Roles and responsibilities

3.1 ALB Partnership Division

The ALB Partnership Division is the primary contact for the Company within the Department. The Division is the main source of advice to Ministers, the Permanent Secretary and the Department on the discharge of their responsibilities in respect of the Company.

The ALB Partnership Division will also be responsible for managing the relationship with the Liquidator, and the Liquidator's performance under the contract dated 23 March 2016. In particular, the Division will scrutinise requests for additional funding made by the Liquidator in order to settle the company's liabilities.

Within DWP, the ALB Partnership Division will be responsible for authorising expenditure in relation to the Company, subject to delegation limits agreed by the Department. The Division will summarise the expenditure monthly for the Liquidator, and will discuss difficult cases with the Liquidator.

The ALB Partnership Division will be responsible for the Company's remaining information and records under the information management and sharing agreement between the Company and the Department dated 1 April 2017. The Division will also be responsible for handling claims made against the Company, including liaising with solicitors, insurers and information providers.

3.2 The Secretary of State

The Secretary of State is responsible for appointing the directors, as considered appropriate from time to time.

The Secretary of State allocates resources to the Company as appropriate.

The Secretary of State may choose to delegate to one of the Department's other Ministers (the "responsible Minister").

3.3 The Department's Principal Accounting Officer

The Department's Principal Accounting Officer (PAO) is responsible for advising the responsible Minister on how the Company is progressing towards final wind up. During MVL, the Principal Accounting Officer will be responsible for managing the contract with the Liquidators and the regularity and propriety of any payments to the Liquidators. The Department's ALB Partnership Division will support the PAO in his responsibilities.
3.4 **The Company’s Accounting Officer**

3.4.1 The Department’s PAO has designated a Senior Civil Servant from the Department, appointed by Ministers as Chief Executive and Director, as the Company’s Accounting Officer.

3.4.2 The Accounting Officer is personally responsible for:
- safeguarding the public funds for which she has charge
- ensuring propriety and regularity in the handling of those public funds.

3.4.3 The Accounting Officer’s usual responsibilities to Parliament include:
- ensuring that proper records are kept relating to the Company’s accounts
- ensuring that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State
- signing the accounts
- signing a Statement of Accounting Officer’s responsibilities for inclusion in the annual report and accounts
- signing a Governance Statement regarding the system of internal control for inclusion in the annual report and accounts
- ensuring that effective procedures for handling complaints about the Company are established and widely known
- acting in accordance with the terms of this document, Managing Public Money and other instructions and guidance issued by the Department, the Treasury and the Cabinet Office
- Giving evidence, normally with the PAO, to the Public Accounts Committee as required.

3.4.4 The Accounting Officer’s usual responsibilities to the Department include:
- informing the Department of progress in achieving the Company’s objectives and in demonstrating how resources are being used to achieve those objectives
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the Department
- notifying the Department if any over- or under- spends are likely and of corrective action taken
- notifying the Department of any significant problems, whether financial or otherwise.

3.4.5 These responsibilities apply in full in the run up to entering MVL. In particular, the Accounting Officer must exercise the normal judgements around the decision of whether and when to enter MVL, in order to achieve best value for money for the taxpayer. The Accounting Officer must also consider the appropriateness of the planned arrangements for the MVL period and longer term, for example ensuring appropriate retention of the company’s records.

3.4.6 Once in MVL, the Liquidator takes on responsibility for running the company as an Officer of the Company. However, the Liquidator may delegate responsibilities to previous officers and directors of the company. In particular, the Liquidator anticipates delegating authority to produce the Company’s accounts for the stub period up to MVL.
3.4.7 Until these are complete, the Accounting Officer continues to have the relevant responsibilities. The Accounting Officer role is not expected to be required once the Company has prepared its final accounts, the Department has taken over the Company's remaining cash balances and any other assets, and the bank account has been closed.

3.4.8 Once the Company is in MVL, the Accounting Officer will discuss and agree issues with the Liquidator as appropriate. In the case of conflicting responsibilities, the Liquidator's legal responsibilities will override other requirements such as Managing Public Money.

3.4.9 Once the Company is in MVL and the Department has taken over responsibility for authorising expenditure in relation to the Company, subject to delegation limits agreed by the Department, the ALB Partnership Division will summarise the expenditure monthly for the Liquidator, and will discuss and agree issues with the Liquidator as appropriate. Where the Department does not believe it is appropriate to settle an invoice relating to the Company, the Department will discuss and agree this with the Liquidator, given that the Liquidator will have responsibility for running the Company as an officer of the Company during MVL.

3.5 The Board of the Company

Initially the Company's Board is expected to continue in MVL for a short transitional period, but then it is expected that three of the four directors will resign, so that the Board will comprise one executive director who is a senior member of Departmental staff and remains a Departmental employee. It is unlikely that a conflict of interest will arise from this situation because the director role is chiefly concerned with supporting the wind-up of the Company.

3.6 Individual Board members

Individual Board members should:
- comply at all times with the Code of Conduct for Board Members of Public Bodies and with the rules relating to the use of public funds and conflicts of interest
- not use information gained in the course of their public service for personal gain or political profit
- not seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations
- act in good faith and in the best interests of the Company and its sponsor, the Secretary of State for Work and Pensions.

3.7 The Members of the Company

The Company has three Members, drawn from the current Directors: Helen John, Ian Russell and John Osmond.

3.8 The Liquidators

3.8.1 Following the Board decision on 19 September 2017 and the responsible Minister's approval, the Members of the Company will be asked in October 2017 to appoint Laura Waters and Rob Lewis as Liquidators.

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3.8.2 The Company, acting by its Liquidators, is obliged to comply with the provisions of the Insolvency Act 1986 and the Insolvency Rules 2016. The Liquidators’ duties under the Insolvency Act 1986 are to:
- realise the Company’s assets
- settle its liabilities
- pay any surplus to the Secretary of State

3.8.3 The Liquidators will comply with the terms of the contract dated 23 March 2016.

4 Financial responsibilities

4.1 Accounts

4.1.1 Until entering MVL, the Company is required to conform with International Financial Reporting Standards and the Companies Acts.

4.1.2 Once in MVL, the Company will prepare accounts for the “stub period” (to the day before MVL) for consolidation within the Department’s Annual Report and Accounts for 2017-18. These Company accounts should be sent to the responsible Minister to deposit in the Parliamentary Library, in common with previous accounts, but will be simplified and need not be audited.

4.1.3 Beyond that, the Company will prepare a summary balance sheet and receipts and payments account up to the first anniversary of the liquidation appointment, with further accounts prepared for each six month period (or part period) thereafter until completion of the liquidation.

4.1.4 The Liquidators will prepare an Annual Progress Report for each completed year of the liquidation (to be prepared within two months of the anniversary of the liquidation appointment), a copy of which will be filed at Companies House and the original sent to the Department. The Progress Report will include a Summary Receipts and Payments account and Statement of Funds held. On conclusion of the liquidation the Liquidators will prepare a draft Final Account, setting out how the liquidation has been conducted and reporting receipts, payments and distributions to the Secretary of State, as well as fees raised and time costs incurred.

4.2 Management and financial information during MVL

4.2.1 The Company has agreed with the Department and the Liquidator that it will pay over any remaining cash balance to the Department shortly after entering MVL, as well as any additional amounts received at a later stage.

4.2.2 The Department has undertaken to settle on a non-recourse basis, all liabilities (including, but not limited to, the costs of the MVL process and interest on claims) that exist at the point of entering MVL or arise in the course of the liquidation, to the extent that the Company has insufficient funds to do so itself, as confirmed in the DWP Finance Director General’s letter to the Directors the Company of 14 September 2017.

4.2.3 Once in MVL, invoices will be settled directly by the Department, including any amounts accrued in the stub accounts, and will feature directly in the
Department’s accounts. The Department will summarise monthly for the
Liquidator any amounts which have been settled in this way.

4.2.4 Where the Department does not believe it is appropriate to settle an invoice
relating to the Company, the Department will discuss and agree this with the
Liquidator, given that the Liquidator will have responsibility for running the
Company as an officer of the Company during MVL.

4.2.5 Where appropriate, the Liquidator will provide the Secretary of State and the
Permanent Secretary, via the ALB Partnership Division, with written quarterly
financial reports (to 31 December, 31 March, 30 June and 30 September) about
the Company.

4.2.6 The Company and/or the Liquidator will provide the Secretary of State, the
Permanent Secretary and the ALB Partnership Division with such oral or written
information about the Company as they may reasonably require.

4.2.7 The Company shall permit the Comptroller and Auditor General or
representatives of the Comptroller and Auditor General (together referred to as
"the Comptroller") to examine all its records and shall furnish suitable oral or
written explanation if required. The Comptroller shall also have access to
documents held by the Company for the purpose of any examination of the
economy, efficiency and effectiveness with which the Company has used public
resources.

4.2.8 The Company shall permit representatives of the European Commission or the
European Court of Auditors to examine all records at any reasonable time and
shall furnish suitable oral or written information if required.

4.2.9 The Company will make arrangements to transfer such remaining records as are
legally required to be retained to the Department before it is dissolved.

4.2.10 The Company shall provide all reasonable assistance to such persons during
audits of the performance of this Agreement and shall provide copies of relevant
documents within a reasonable time.

5. Freedom of Information Act

Requests received under the Freedom of Information Act 2000 related to the
Company will generally be responded to by the Department, sometimes in
consultation with the Company and/or the Liquidator and, where necessary,
Remploy Ltd. The Department will require access to information about the
Company's operations.

6. Prohibitions

The Company shall not without the consent in writing of the Secretary of State
make any alterations to this Framework Document or its Articles of Association.

7. Entire Framework Document

The terms of this Framework Document may be varied only by the written mutual
agreement of the parties to it. Once in MVL, the Liquidator may approve
revisions on behalf of the Company.

8. Notices

8.1 Any notice or demand requiring to be served on the Company by the Secretary of State under this Framework Document may be served by letter addressed to the Company, and delivered personally to its registered office or to the Liquidators at c/o Mr Paul Meitner, Senior Manager, PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT, or may be served by email sent to the registered office or to the Liquidators.

8.2 Any notice to be served on the Secretary of State by the Company under this Framework Document or the Debenture shall be served by letter addressed to the Head of ALB Partnership Division at Department for Work and Pensions, First Floor, Caxton House, Tothill Street, London SW1H 9NA.

9. Termination

This Framework Document terminates forthwith when the Company is dissolved and it ceases to be registered at Companies House.

Signed:

Robert Devereux

Date: 5/10/17

on behalf of the Secretary of State for Work and Pensions

Signed:

Helen John

Date: 6/10/17

on behalf of Disabled People's Employment Corporation (GB) Ltd

Signed:

Laura Waters or Rob Lewis of PricewaterhouseCoopers LLP
Joint Liquidators

Date: 5 October 2017