FRAMEWORK DOCUMENT

Between the
Department for Work and Pensions
and

Single Financial Guidance Body

Effective from 1 October 2018
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Introduction

1. This Framework Document has been drawn up by the Department for Work and Pensions (DWP) in consultation with Single Financial Guidance Body (SFGB). It sets out the broad framework within which SFGB will operate. The document does not convey any legal powers or responsibilities. It is signed and dated by the Department and SFGB. Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on the SFGB website.

Purpose of the Single Financial Guidance Body

2. Under the Financial Guidance and Claims Act 2018, SFGB has been set up in order to support the strategic aims and business plans of DWP and Her Majesty’s Treasury (HMT) in relation to pensions guidance, money guidance, debt advice and the improvement of financial capability.

3. The statutory objectives of the SFGB are:

   (a) to improve the ability of members of the public to make informed financial decisions,

   (b) to support the provision of information, guidance and advice in areas where it is lacking,

   (c) to secure that information, guidance and advice is provided to members of the public in the clearest and most cost-effective way (including having regard to information provided by other organisations),

   (d) to ensure that information, guidance and advice is available to those most in need of it (and to allocate its resources accordingly), bearing in mind in particular the needs of people in vulnerable circumstances, and

   (e) to work closely with the devolved authorities as regards the provision of information, guidance and advice to members of the public in Scotland, Wales and Northern Ireland.

4. The SFGB has the following statutory functions:

   (a) the pensions guidance function;

   (b) the debt advice function;

   (c) the money guidance function;

   (d) the consumer protection function;

   (e) the strategic function.
5. The SFGB also has the function of providing:
   
   (a) advice and assistance to the Secretary of State on matters relating to the functions above; and
   
   (b) advice to the Secretary of State on the establishment of a debt respite scheme.

**Governance and Accountability**


**Ministerial Responsibility**

7. The Minister for Pensions and Financial Inclusion will account for the business of SFGB in Parliament. He or she is also responsible for government policy related to Pensions and is accountable to Parliament for this policy.

8. The Economic Secretary to the Treasury (EST) is responsible for government policy related to debt and financial capability and is accountable to Parliament for these policies.

9. A separate Memorandum of understanding sets out how DWP and HMT will work together in relation to their respective responsibilities regarding SFGB.

**Contact and Engagement**

10. DWP is the lead government department responsible for SFGB.

11. The primary contact for the SFGB within DWP is the Arms-Length Body (ALB) Partnership Division. They are the main source of advice to the responsible Minister in the discharge of his or her responsibilities in respect of SFGB. They also support the Principal Accounting Officer (PAO) in his or her responsibilities toward SFGB.

12. DWP and SFGB will have an open and honest, trust-based partnership supported by the principles set out in the Partnerships between Departments and ALBs: Code of Good Practice. Both parties will ensure that they clearly understand the strategic aims and objectives of their partners and both partners will commit to keeping each other informed of any significant issues and concerns.

13. In addition to routine and policy lead contact between DWP and SFGB, meetings will take place between:

   - The Minister for Pensions and Financial Inclusion, SFGB Chair, and Chief Executive at least once a year;
   - DWP's Partnership Team and SFGB's Chief Executive on a quarterly basis.
• The EST, SFGB Chair and Chief Executive at least once a year, to discuss SFGB's financial capability strategy and activities falling under the SFGB’s debt advice function.

14. Any disputes between DWP and SFGB will be resolved in the first instance between the ALB Partnership Division's Head of Pensions Bodies and senior SFGB officials.

15. If resolution cannot be reached at that level, and the matter is significant, the Head of the Private Pensions and ALB Partnership Division will seek resolution with the Chief Executive.

16. In exceptional cases, where resolution cannot be reached, discussions may take place between Ministers (including HM Treasury Ministers, if appropriate) or the Permanent Secretary and the ALB Chair.

DWP's Accounting Officer's Specific Accountabilities and Responsibilities as Principal Accounting Officer

17. The PAO of DWP has designated the Chief Executive as SFGB’s Accounting Officer (the respective responsibilities of the PAO and Accounting Officers are set out in Chapter 3 of Managing Public Money which is sent separately to the Accounting Officer on appointment).

18. The PAO is accountable to Parliament for the issue of any grant-in-aid to SFGB. The PAO is also responsible for advising the responsible Minister:

• on an appropriate framework of objectives and targets for SFGB in light of DWP’s wider strategic aims and priorities;
• on an appropriate budget for SFGB in the light of DWP and HMT’s overall public expenditure priorities; and
• on how well SFGB is achieving its strategic objectives and whether it is delivering value for money.

19. The PAO is also responsible for ensuring arrangements are in place in order to:

• monitor SFGB’s activities;
• address significant problems in SFGB, making such interventions as are judged necessary;
• periodically carry out an assessment of the risks both to the Department and SFGB’s objectives and activities;
• inform SFGB of relevant government policy in a timely manner; and
• bring concerns about the activities of SFGB to the full SFGB board and, as appropriate, to the DWP Board requiring explanations and assurances that appropriate action has been taken.

Responsibilities of SFGB’s Chief Executive as Accounting Officer
General

20. The Chief Executive as Accounting Officer is personally responsible for:
   - safeguarding the public funds for which he or she has charge;
   - for ensuring propriety, regularity, value for money and feasibility in the
     handling of those public funds; and
   - for the day-to-day operations and management of SFGB.

21. In addition, he or she should ensure that SFGB as a whole is run on the basis of
    the standards, in terms of governance, decision-making and financial
    management that are set out in Box 3.1 of Managing Public Money.

Accountabilities

22. The Chief Executive is accountable for:
   - signing the accounts, keeping proper records relating to the accounts and
     ensuring that the accounts are properly prepared and presented in
     accordance with any directions issued by the Secretary of State;
   - preparing and signing a Governance Statement covering corporate
     governance, risk management and oversight of any local responsibilities, for
     inclusion in the annual report and accounts;
   - ensuring that effective procedures for handling complaints about SFGB are
     established and made widely known within SFGB;
   - acting in accordance with the terms of this document, Managing Public Money
     and other instructions and guidance issued from time to time by the
     Department, the Treasury and the Cabinet Office; and
   - giving evidence, normally with the PAO, when summoned before the Public
     Accounts Committee on SFGB's stewardship of public funds.

Responsibilities to DWP and HMT

23. Particular responsibilities include:
   - Preparing, in consultation with DWP and HMT, SFGB's corporate and
     business plans in light of the SFGB's statutory objectives and functions and
     other priorities set from time-to-time by ministers;
   - informing DWP and HMT of progress in helping to achieve their policy
     objectives and in demonstrating how resources are being used to achieve
     those objectives; and
   - ensuring that timely forecasts and monitoring information on performance and
     finance are provided to DWP; that the Department is notified promptly if over
     or under spends are likely and that corrective action is taken; and that any
     significant problems whether financial or otherwise, and whether detected by
     internal audit or by other means, are notified to the Department in a timely
     fashion.
Responsibilities to the Board

24. The Chief Executive is responsible for:

- advising the Board on the discharge of its responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time;
- advising the board on SFGB’s performance compared with its aims and objectives;
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed; and
- taking action as set out in paragraph 3.8.6 of Managing Public Money if the Board, or its Chair, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical
- administration, efficiency or effectiveness, is of questionable feasibility, or is unethical.

SFGB’s Board

General responsibilities:

25. The Board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control. The Board must set up an Audit and Risk Assurance Committee, chaired by an independent non-executive member, to provide independent advice, or ensure that the Department’s Audit and Risk Assurance Committee provides assurance on risk. The Board is expected to assure itself of the effectiveness of the internal control and risk management systems.

Specific responsibilities

26. The Board is specifically responsible for:

- establishing and taking forward the strategic aims and objectives of SFGB consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State;
- ensuring that the responsible Minister is kept informed of any changes which are likely to impact on the strategic direction of SFGB or on the attainability of its targets, and determining the steps needed to deal with such changes;
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the board operates within the limits of its statutory authority and any delegated authority agreed with the sponsor department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by DWP;
- ensuring that the Board receives and reviews regular financial information concerning the management of SFGB; is informed in a timely manner about
any concerns about the activities of SFGB; and provides positive assurance to the department that appropriate action has been taken on such concerns;

- demonstrating high standards of corporate governance at all times, including by using the Independent Audit and Risk Assurance Committee to help the Board to address key financial and other risks; and
- except where otherwise provided for in the establishing legislation, appointing with the responsible minister’s approval a chief executive and, in consultation with the Department, setting performance objectives and remuneration terms linked to these objectives for the chief executive which give due weight to the proper management and use and utilisation of public resources.

The Chair's personal responsibilities

27. The Chair is accountable to the responsible Minister. Communications between SFGB’s Board and the Minister should normally be through the Chair. He or she is responsible for ensuring that the SFGB’s policies and actions support DWP and HMT ministers’ wider strategic policies and that its affairs are conducted with probity.

28. Where appropriate, DWP and HMT policies and actions should be clearly communicated and disseminated throughout SFGB.

29. In addition the Chair has the following leadership responsibilities:

- formulating the Board’s strategy;
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the responsible minister or the department;
- promoting the efficient and effective use of staff and other resources;
- delivering high standards of regularity and propriety; and
- representing the views of the Board to the general public.

30. The Chair also has the obligation to ensure that:

- the work of the Board and its members are reviewed and are working effectively;
- the Board has a balance of skills appropriate to directing SFGB’s business, as set out in the Government Code of Good Practice for Corporate Governance;
- Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- he or she, together with the other Board members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the responsible Minister is advised, through the DWP Public Appointments Team, of SFGB’s needs when Board vacancies arise;
- he or she assesses the performance of individual Board members when being considered for re-appointment;
• there is a Board Operating Framework in place setting out the role and responsibilities of the Board consistent with the Government Code of Good Practice for Corporate Governance; and

• there is a code of practice for Board members in place, consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies.

Individual board members' responsibilities

31. 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 to conflicts of interest;

• not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;

• comply with the Board’s rules on the acceptance of gifts and hospitality, and of business appointments; and

• act in good faith and in the best interests of SFGB

Corporate governance

Board appointments

32. The SFGB Chair and Non-Executive Board members are appointed by the responsible minister. Such appointments will comply with the Cabinet Office Governance Code for Public Appointments.

33. The first appointment of the Chief Executive and other Board-level Directors are made by the responsible Minister. Subsequent appointments will be made by the Board with the approval of the responsible Minister.

34. DWP Ministers will be responsible for the acceptance of resignations or for dismissal of non-executive members, in accordance with legislation and their terms and conditions of appointment. DWP will advise HMT before the dismissal of any Board member other than at the end of their contracted term of office.

Composition of the Board

35. In line with the government’s Code of Good Practice, and as set out in schedule 1 of the Financial Guidance and Claims Act, the Board will consist of a chair, together with the Chief Executive and executive members and non-executive members that have a balance of skills and experience appropriate to directing SFGB’s business. The Board should include a majority of non-executive
members to ensure that executive members are supported and constructively challenged in their roles.

Corporate and business plans

36. SFGB will publish a business plan covering 2019-2020, submitting a draft plan by the date agreed with DWP. SFGB shall agree with the Department the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect SFGB’s statutory and/or other duties and, within those duties, the priorities set from time to time by the responsible Minister (including decisions taken on policy and resources in light of wider public expenditure decisions). The plan will demonstrate how SFGB contributes to the achievement of the DWP and HMT’s wider strategic aims and priorities.

37. For 2020-2021 onwards - SFGB shall submit annually to the ALB Partnership Division a draft of its corporate plan covering three years ahead. The draft should be submitted by the date agreed with the DWP.

38. The first year of the corporate plan, amplified as necessary, shall form the business plan. The business plan will be updated to include key targets and milestones for the year immediately ahead and will be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the Department. Subject to any commercial considerations, the corporate and business plans should be published by SFGB on its website and separately be made available to staff.

39. The following key matters should be included in the business plan:

- key objectives and associated key performance targets for future years, and the strategy for achieving those objectives;
- key non-financial performance targets;
- a review of performance in the preceding financial year, together with comparable outturns for the previous two years, and an estimate of performance in the forthcoming year;
- alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
- other matters as agreed between the Department and SFGB.

Budgeting procedures

40. HMT will provide funding cover for the net expenditure to be incurred by SFGB. DEL funding will be provided as part of each Spending Review settlement.

41. Each year, in the light of decisions by DWP and HMT on the updated draft corporate plan or business plan, DWP will send to SFGB a formal statement of the annual budgetary provision, broken down by ring-fenced budget.
42. The approved annual business plan will take account both of approved funding provision and any forecast receipts, and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any departmental funding and/or other income over the year. These elements form part of the approved business plan for the year in question.

Grant-in-aid and any ring-fenced grants

43. Any funding and grant-in-aid provided by DWP for the year in question will be voted in the DWP’s Supply Estimate and be subject to Parliamentary control. This funding will be recovered from the General Levy on Pension Schemes and the Financial Services Levy. SFGB will be expected to provide the Department with forecasts of the funding required from each element of the Financial Services Levy and from the General Levy to the timetable provided by the Department. SFGB’s Board will be expected to live within the annual allocation and so avoid overspends in year, including by reprioritising or scaling back work in a particular area to avoid exceeding the allocation.

44. SFGB’s allocation includes a number of ring-fenced budgets, depending on the relevant levy funding. SFGB will agree the apportionment of its corporate overheads between these budgets with DWP. In the event of pressure on one of these budgets, SFGB may reprioritise up to 10% of its allocation between budget areas. In this case, up to a maximum of 10% of the budget for the element that has overspent could be sourced from pensions guidance, money guidance or debt advice but this can only be done in the event of a corresponding underspend in either or both of the other budgets funded through the Financial Services Levy. It is not possible to use money from the General Levy in this way.

45. The grant-in-aid will normally be paid in quarterly instalments on the basis of written applications showing evidence of need. SFGB will comply with the general principle that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of SFGB. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at the year-end, DWP will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.

46. In the event that the DWP provides SFGB with separate grants for specific (ring-fenced) purposes, it would issue the grant as and when needed on the basis of a written request. SFGB would provide evidence that the grant was used for the purposes authorised by the Department. SFGB shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year. SFGB will not be able to hold reserves.
Annual Report and accounts

47. SFGB must publish an annual report of its activities together with its audited accounts after the end of each financial year. SFGB shall provide DWP its finalised (audited) accounts by the date requested by the Department each year in order for the accounts to be consolidated within the Department’s.

48. The annual report must:
   - cover any corporate, subsidiary or joint ventures under its control;
   - comply with the Treasury’s Financial Reporting Manual (FReM); and
   - outline main activities and performance during the previous financial year and set out in summary form forward plans.

49. Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. The report and accounts shall be laid in Parliament and made available on SFGB’s website, in accordance with the guidance in the FReM. A draft of the report should be submitted to DWP at least two weeks before the proposed publication date. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the Department as well as FReM.

Managing Public Money and other government-wide corporate guidance and instructions

50. Unless agreed by DWP and, as necessary, HMT, SFGB shall follow the principles, rules, guidance and advice in Managing Public Money, referring any difficulties or potential bids for exceptions to the ALB Partnership Division in DWP in the first instance.

51. A list of guidance and instructions with which SFGB should comply is in Appendix 2.

52. Once the budget has been approved by DWP and the responsible Minister’s instructions and this document, SFGB shall have authority to incur expenditure approved in the budget without further reference to the sponsor Department, on the following conditions:
   - SFGB shall comply with the delegations set out in Appendix 1 and updated periodically by the Department. These delegations shall not be altered without the prior agreement of DWP;
   - SFGB shall comply with Managing Public Money regarding novel, contentious or repercussive proposals;
   - inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal Departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed; and
SFGB shall provide DWP with such information about its operations, performance individual projects or other expenditure as the Department reasonably require.

Delegated Authorities

53. SFGB’s delegated authorities are set out in appendix 1. These delegated authorities are subject to annual review. SFGB shall obtain DWP’s prior written approval before:
- Entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in SFGB’s annual budget as approved by the Department;
- Incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- Making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
- Making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
- Carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money.

Risk Management

54. SFGB shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the Treasury guidance Management of Risk: Principles and Concepts (http://www.hm-treasury.gov.uk/orange_book.htm). It should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with HM Treasury’s managing the risk of fraud - a guide for managers. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.

Internal Audit

55. SFGB shall:
- Establish and maintain arrangements for internal audit in accordance with HM Treasury’s Public Sector Internal Audit Standards (PSIAS).
- In the event that the body has its own internal audit service, ensure that DWP is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with PSIAS;
• set up an Audit, Risk and Assurance Committee of its Board in accordance with the Code of Good Practice for Corporate Governance and the Audit and Risk Assurance Committee Handbook

• forward the audit strategy, periodic audit plans and annual audit report, including Internal Audit opinion on risk management, control and governance as soon as possible to DWP; and

• keep records of, and prepare and forward to the department an annual report on fraud and theft suffered by SFGB and notify DWP of any unusual or major incidents as soon as possible.

56. The internal audit service has a right of access to all documents, including where the service is contracted out.

External Audit

57. The Comptroller & Auditor General (C&AG) audits SFGB’s annual accounts. The C&AG passes the audited accounts to the Secretary of State who will lay the accounts together with the C&AG’s report before parliament.

58. The C&AG:

• will consult the Department and SFGB on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG;

• has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from SFGB;

• will share with DWP information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Department’s responsibilities in relation to financial systems within the named SFGB;

• will, where asked, provide departments and other relevant bodies with Regulatory Compliance Reports and other similar reports which departments may request at the commencement of the audit and which are compatible with the independent auditor’s role.

59. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which SFGB has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, SFGB shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.
Right of access

60. Subject to the appropriate protection of personal data, DWP has the right of access to all SFGB records and personnel for any purpose including, for example, sponsorship audits and operational investigations.

Reporting Performance to the DWP

61. SFGB shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans. SFGB shall inform DWP of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver ministers’ policies, and the achievement of key objectives regularly. SFGB’s performance shall be formally reviewed by the Department on a quarterly basis. The responsible Minister will meet the Chair and Chief Executive at least once a year.

 Providing monitoring information to the Department

62. As a minimum SFGB shall provide the DWP with information that will enable the Department to monitor satisfactorily:

- SFGB’s cash management;
- its draw-down of grant-in-aid;
- forecast outturn by resource headings;
- other data required for the Online System for Central Accounting and Reporting (OSCAR).

SFGB/DWP working level liaison arrangements

63. Officials of ALB Partnership Division in DWP will liaise regularly with SFGB officials to review financial performance against plans, achievement against targets and expenditure against its DEL and AME allocations. The Department will also take the opportunity to explain wider policy developments that might have an impact on SFGB.

Staff

Broad responsibilities for staff

64. Within the arrangements approved by the responsible Minister, SFGB will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:
• the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit;
• there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
• the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
• the performance of its staff at all levels is satisfactorily appraised and SFGB performance measurement systems are reviewed from time to time;
• its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve SFGB’s objectives;
• proper consultation with staff takes place on key issues affecting them;
• adequate grievance and disciplinary procedures are in place;
• whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place;
• a code of conduct for staff is in place based on the Cabinet Office’s Model Code for Staff of Executive Non-departmental Public Bodies See Appendix 2

Staff costs

65. Subject to its delegated authorities, SFGB shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

Pay and conditions of service

66. SFGB’s staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by DWP. SFGB has no delegated power to amend these terms and conditions.

67. If civil service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the staff and to any other party entitled to payment in respect of travel expenses or other allowances, payment shall be made in accordance with the Civil Service Management Code, except where prior approval has been given by DWP to vary such rates.

68. Staff terms and conditions should be set out in an Employee Handbook, which should be provided to DWP together with subsequent amendments.

69. SFGB shall operate a performance-related pay scheme that shall form part of the annual aggregate pay budget approved by the DWP.

70. The travel expenses of Board members shall be tied to the rates allowed to the staff of SFGB. Reasonable actual costs shall be reimbursed.
71. SFGB shall comply with the EU Directive on contract workers – the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations.

Pensions, redundancy and compensation

72. SFGB staff who are members of the pension provided by PCSPS at the time of the launch of SFGB will remain eligible for that Scheme. Other SFGB staff will be eligible for a pension provided by its own scheme.

73. Any proposal by SFGB to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of DWP. Proposals on severance must comply with the rules in chapter 4 of Managing Public Money.

Review of SFGB’s status (and winding up arrangements)

74. SFGB will normally be reviewed once in every Parliament, to the timetable agreed by DWP and the Cabinet Office.

Arrangements in the event that SFGB is wound up

75. DWP shall put in place arrangements to ensure the orderly winding up of SFGB. In particular it should ensure that the assets and liabilities of SFGB are passed to any successor organisation and accounted for properly (in the event that there is no successor organisation, the assets and liabilities will revert to DWP). To this end, the Department shall:

- ensure that procedures are in place in SFGB to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
- specify the basis for the valuation and accounting treatment of SFGB’s assets and liabilities;
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts;
- arrange for the most appropriate person to sign the closing accounts. In the event that another body takes on the role, responsibilities, assets and liabilities, the succeeding body’s AO should sign the closing accounts. In the event that the Department inherits the role, responsibilities, assets and liabilities, the PAO should sign.

76. SFGB shall provide the Department with full details of all agreements where SFGB or its successors have a right to share in the financial gains of developers. It should also pass to DWP details of any other forms of claw-back due to SFGB.
77. The power to wind up SFGB rests with DWP Ministers but will only be exercised after full consultation with, and the agreement of, HMT Ministers. Ministers will also be required to meet any requirements set out in the Financial Guidance and Claims Act, and any other relevant legislation.

LIST OF APPENDICES TO THE SPECIMEN DOCUMENT
Appendix 1 - List of delegated spending authorities (attached)
Appendix 2 - The Cabinet Office's Model Code for Staff of Executive Non-Departmental Public Bodies
Appendix 3 - List of government-wide corporate guidance instructions

Signed: [Signature]
Peter Schofield, Permanent Secretary
(On behalf of the Department)
Date: 10/12/15

Signed: [Signature]
John Govett, Chief Executive
(On behalf of the SFGB)
Date: 11/12/15
APPENDIX 1

Delegated Spending Authorities

This is reviewed annually. Please contact DWP for the latest version.

APPENDIX 2

MODEL CODE FOR STAFF OF EXECUTIVE NON-DEPARTMENTAL PUBLIC BODIES

INTRODUCTION

- This document sets out a Code of Conduct for staff of executive non-departmental public bodies (NDPBs) and similar organisations and is intended as a model which the public bodies concerned should adopt with any modifications that may be necessary to take account of their own characteristics and circumstances.

- It is mandatory for the board of each executive NDPB to adopt a Code of Conduct for their staff.

- NDPBs are asked to ensure that the Code is brought to the attention of staff.

- It should become part of the terms and conditions of service applicable to all staff, breaches of which may be the subject of disciplinary action.

- It will be necessary to ensure that the Code applying to the public body concerned is consistent with the legislation or other provisions under which it is established.

- The Code should be a public document, freely and easily available to both NDPB staff and board members, and on request, to the general public.

DUTIES AND RESPONSIBILITIES

1. Staff of public bodies should familiarise themselves with the contents of the Code and should act in accordance with the principles set out in it.
2. Staff of public bodies have a duty:

- to discharge public functions reasonably and according to the law; and

- to recognise ethical standards governing particular professions.

The senior full-time official, who is usually designated as accounting officer, has overall responsibility for propriety in a broad sense, including conduct and discipline.

ACCOUNTABILITY

3. Staff of public bodies should be aware:

- of their accountability to the board of the public body which they serve;

- of the respective roles of the sponsor department and the public body as set out in a Management Statement, Framework Document or agreed Memorandum of Understanding;

- that the Minister responsible for the body is ultimately accountable to Parliament for its independence, effectiveness and efficiency.

The Board of an NDPB has responsibilities as an employer. These are set out in their own Code of Practice.

4. Staff of public bodies should conduct themselves with integrity, impartiality and honesty. They should not deceive or knowingly mislead the board, the sponsor department, Ministers, Parliament or the public.

CONFLICTS OF INTEREST

5. Staff should abide by the rules adopted by the public body in relation to private interest and possible conflict with public duty; the disclosure of official information; and political activities. They should not misuse their official position or information acquired in their official duties to further their private interests or those of others. Key members of staff, such as the Chief Executive, Finance Director, managers of large contracts, and staff working on contracts, should ensure that any possible conflicts of interest
are identified at an early stage and that appropriate action is taken to resolve them.

INTEGRITY

6. Staff of public bodies should not use their official position to receive, agree to accept or attempt to obtain any payment or other consideration for doing, or not doing, anything or showing favour, or disfavour, to any person. They should not receive benefits of any kind from a third party which might reasonably be seen to compromise their personal judgement and integrity. Under the Prevention of Corruption Act 1916, employees of public bodies may be required to prove that the receipt of payment of other consideration from someone seeking to obtain a contract is not corrupt.

RELATIONS WITH THE PUBLIC

7. Staff of public bodies who deal with the affairs of the public should do so sympathetically, efficiently, promptly and without bias or maladministration. Staff of public bodies should offer the public the highest standards of conduct and service.

USE OF RESOURCES

8. Staff of public bodies should endeavour to ensure the proper, economical, effective and efficient use of resources.

CONFIDENTIALITY

9. Staff of public bodies owe a general duty of confidentiality to their employer under civil law. They are therefore required to protect official information held in confidence. The Official Secrets Act 1989 applies to any member of the public who has, or has had, official information in their possession. The Act makes unlawful disclosure of certain limited categories of information (for example security and intelligence, defence, international relations, and information which may lead to the commission of crime) a criminal offence. The Act applies explicitly to those staff of NDPBs who are Crown servants, and to the staff of a small number of NDPBs listed in the Act.
DATA PROTECTION

10. Staff should be aware of their obligations under the Data Protection Act (1998) and Freedom of Information Act (2000). Guidance on this legislation can be obtained from the Information Commissioner (www.informationcommissioner.gov.uk).

STAFF CONCERNS ABOUT IMPROPER CONDUCT

11. If staff of a public body believe they are being required to act in a way which:

• is illegal, improper, or unethical;

• is in breach of a professional code;

• may involve possible maladministration, fraud or misuse of public funds; or

• is otherwise inconsistent with this Code;

they should either raise the matter through the management line or else approach in confidence a nominated official or board member entrusted with the duty of investigating staff concerns about illegal, improper or unethical behaviour. Staff should also draw attention to cases where:

• they believe there is evidence of irregular or improper behaviour elsewhere in the organisation, but where they have not been personally involved;

• there is evidence of criminal or unlawful activity by others;

• they are required to act in a way which, for them, raises a fundamental issue of conscience.

12. Where a member of staff has reported a matter covered in paragraph 11 above and believes that the response does not represent a reasonable response to the grounds of his or her concern, he or she may report the matter in writing to a nominated official in the sponsor department who will investigate the matter further.
13. Staff should be aware of the provisions of the Public Interest Disclosure Act 1998, which protects individuals who make certain disclosures of information in the public interest.

AFTER LEAVING EMPLOYMENT

14. Staff of public bodies should continue to observe their duty of confidentiality (see paragraph 9 above) after they have left the employment of the public body and should be aware of and abide by any rules on the acceptance of business appointments after resignation or retirement. Chapter four of the Civil Service Management Code deals with this issue and should be consulted to see parallel arrangements in the Civil Service.
Compliance with government-wide corporate guidance and instructions

SFGB shall comply with the following general guidance documents and instructions:

- this document;

- Appropriate adaptations of sections of Corporate Governance in Central Government Departments: Code of Good Practice

- Code of Conduct for Board Members of Public Bodies

- The Governance Code on Public appointments

- Managing Public Money (MPM);

- Public Sector Internal Audit Standards,

- Management of Risk: Principles and Concepts;

- HM Treasury Guidance on Tackling Fraud,

- Government Financial Reporting Manual (FReM),

- Fees and Charges Guide, Chapter 6 of Managing Public Money;

- Departmental Banking: A Manual for Government Departments, annex 5.6 of Managing Public Money;
• relevant Dear Accounting Officer letters
  https://www.gov.uk/government/collections/dao-letters;

• Regularity, Propriety and Value for Money,

• The Parliamentary and Health Service Ombudsman’s Principles of Good Administration
  http://www.ombudsman.org.uk/improvingpublicservice/ombudsmansprinciples;

• Partnerships between Departments and ALBs: Code of Good Practice

• Consolidation Officer Memorandum, and relevant DCO letters;

• relevant Freedom of Information Act guidance and instructions (Ministry of Justice);

• [Model Code for Staff of Executive Non-departmental Public Bodies (Cabinet Office)]
  other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;

• other relevant instructions and guidance issued by the central Departments;

• specific instructions and guidance issued by the sponsor Department;

• recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to SFGB.