



Department for  
Business, Energy  
& Industrial Strategy



FRAMEWORK DOCUMENT

July 2016

**Signed**

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**Date**

25 July 2016

on behalf of the Department for  
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## **UNITED KINGDOM SPACE AGENCY (UKSA) FRAMEWORK DOCUMENT**

This framework document has been drawn up by the Department for Business, Energy & Industrial Strategy (BEIS) in consultation with the UK Space Agency (the Agency). It sets out the broad framework within which the Agency will operate. The document does not convey any legal powers or responsibilities. It is signed and dated by the Department and the Agency. 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 Agency website.

### **Purpose of the Agency**

1.1 The United Kingdom Space Agency (“the Agency”) was established as an Executive Agency of the Department on 1st April 2011. On 23 March 2010, The Minister of State, Department for Business, Innovation and Skills and Ministry of Defence announced through a Written Ministerial Statement the intention to establish the UK Space Agency as an executive agency of the Department for Business, Innovation and Skills. From 1st April 2010, the United Kingdom Space Agency operated as a shadow executive agency of the Department for Business, Innovation and Skills. Therefore, from 1 April 2011, the UKSA began operation as a full Executive Agency.

1.2 The Secretary of State for Business, Energy & Industrial Strategy (formerly BIS) is responsible for the granting of licences for the carrying out of space activities under the Outer Space Act 1986. As an Executive Agency of the Department, the UK Space Agency discharges this responsibility on behalf of the Secretary for State.

1.3 The Agency’s mission is to support the growth of the UK space economy to capture 10% of the global space-enabled market by 2030. To do this, the Agency leads and fosters the UK space sector, delivering benefits to public services, science and innovation, national security and the wider economy.

1.4 The Agency sets the civil space policy landscape for the UK and develops regulation and licensing regimes for UK space activities. Investment is made alongside business to de-risk new space technology and to coordinate technology standards that keeps UK business competitive, working often in partnership with other countries, agencies and organisations to enable UK industry and academia to develop world leading technologies, services and science missions.

1.5 The Agency also works with government partners to assure the resilience of space infrastructure, including assets forming part of the UK’s Critical National Infrastructure, an important step in increasing uptake of space-enabled services and delivering growth.

### **Governance and accountability**

#### **2 The legal origins of the Agency’s powers and duties**

2.1 Effective from 1 April 2011, the Secretary of State for Business, Innovation and Skills issued directions, by virtue of section 3(6) of the Science and Technology Act 1965, to the Natural Environment Research Council (NERC), the Science and Technologies Facilities Council (STFC), and the Technology Strategy Board (TSB) requiring these organisations to transfer certain responsibilities for activities relating to scientific research in outer space to the Department for Business, Innovation and Skills acting through the UK Space Agency.

2.2 The Agency will comply with the requirements of the Memorandum of Understanding and overarching Concordats between the Government and the devolved administrations (as published in Command Paper Cm4444 and subsequent revisions).

### 3 Overall aims

3.1 The Agency's strategic aims are to help make the UK space sector a success. The Agency has identified six intended outcomes:

- The Agency will have clear and established space policies and policy positions.
- UK space policies and policy positions will be effectively represented at a national and international level.
- The UK will maintain and grow its national capability in space.
- UK investment in civil space will be effective, targeted and will deliver tangible economic or scientific benefit.
- The criticality and utility of the space sector to science, enterprise and economic growth will be increasingly understood by policy makers, commerce and the general public.
- The Agency will have the operational capability, capacity and culture to deliver its strategic and policy objectives.

3.2 The Department determines the framework within which Agency objectives and targets are set. Objectives and key targets are agreed within the Agency's Corporate Plan.

3.3 The role of the sponsor is to:

- advise Ministers on the strategic direction of the Agency in the context of wider Departmental or cross-government objectives, on any significant regulatory or policy implications;
- advise Ministers and the Department's Accounting Officer, working with the Agency and BEIS Finance, on any novel or contentious commercial matters;
- facilitate the Agency's relationship with BEIS and wider government to ensure effective policy development;
- agree a framework for strategic performance management;
- advise Ministers on their response to strategic performance information;
- advise the Chief Executive on steering the Agency's activities to ensure that they most effectively support the delivery of Departmental objectives;
- ensure that the Agency has the delegations and authorities necessary for effective delivery and continuous improvement;
- assist the Chief Executive to work through the implications of any recommendations emerging from reviews in the context of Departmental business planning that affect the Agency.

3.4 These functions are, in the main, fulfilled through the Departmental sponsor's membership of the Steering Board (see Section 7 and the Steering Board Terms of Reference at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/307614/Steering\\_Board\\_Terms\\_of\\_reference.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/307614/Steering_Board_Terms_of_reference.pdf)). In addition, the Director General, Business and Science, is the Chief Executive's line manager in the Civil Service. He/she will not otherwise become involved in the day to day management of the Agency.

### 4 Ministerial responsibility

4.1 The Secretary of State for Business, Energy & Industrial Strategy accounts for the Agency's business in Parliament.

4.2 He/She determines the policy framework within which the Agency operates but is not involved in its day-to-day management. He/she agrees the strategic objectives; sets the key financial and performance targets for the Agency and approves the Corporate Plan, which is updated annually.

4.3 The Secretary of State may delegate to the responsible Minister agreement of the key financial and performance targets and approval of the Corporate Plan. The Chief Executive, and other members of the senior management team and the Steering Board as appropriate, shall meet with the responsible Minister to set the targets and discuss performance, risks and other such issues as might be appropriate at the time. The Chief Executive has the right of direct access to the Minister.

4.4 BEIS will provide to UKSA the following services to enable the Agency to carry out its business: the Enquiry Unit and night duty office, ICT (including Evolve services), Knowledge & Information Management (KIM) and Security. These will be supported by Service Level Agreements. In addition, UKSBS will provide the following services: HR, finance, payroll and procurement.

### **5 Sponsor department's accounting officer's specific accountabilities and responsibilities as Principal Accounting Officer (PAO)**

5.1 The Department's Permanent Secretary is the Principal Accounting Officer and is responsible for ensuring that there is a high standard of financial management across the whole Department. As such he/she retains the right to:

- monitor the Agency's activities and the Chief Executive's use of resources allocated to him/her;
- address significant problems in the Agency, making such interventions as are judged necessary;
- periodically carry out an assessment of the risks both to the Department and the Agency's objectives and activities;
- inform the Agency of relevant Government policy in a timely manner; and
- bring concerns about the activities of the Agency to the BEIS Executive Board with explanations and assurances that appropriate action has been taken.

5.2 He/she will not otherwise become involved in the day-to-day management of the Agency.

5.3 The Principal Accounting Officer (PAO) of BEIS has designated the Chief Executive as the Agency's Accounting Officer.

5.4 The PAO is accountable to parliament for the issue of any grant-in-aid to the Agency. The PAO is also responsible for advising the responsible minister:

- on an appropriate framework of objectives and targets for the Agency in the light of BEIS's wider strategic aims and current priorities;
- on an appropriate budget for the Agency in the light of BEIS's overall public expenditure priorities; and
- how well the Agency is achieving its strategic objectives and whether it is delivering value for money.

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

- monitor the Agency's activities on a continuous basis;

- address significant problems in the Agency, while having regard to the principle of not intervening in detail in the Agency's affairs, by making such interventions as are judged necessary in consultation with the Agency;
- periodically carry out an assessment of the risks both to BEIS and the Agency objectives and activities;
- inform the Agency of relevant government policy in a timely manner; and
- bring concerns about the activities of the Agency to the full Agency board, and, as appropriate to the BEIS board, requiring explanations and assurances that appropriate action has been taken.

5.6 The Research Strategy and Impact Unit (part of the Business and Science Group) in BEIS is the primary contact for the Agency. They are the main source of advice to the responsible Minister on the discharge of his or her responsibilities in respect of the Agency. They also support the PAO on his or her responsibilities toward the Agency.

## **6 Responsibilities of the UK Space Agency's Chief Executive as Accounting Officer**

### *General*

6.1 The Chief Executive is appointed normally through open competition and for a fixed term with a possibility of extension, subject to a review of performance. The post is within the Senior Civil Service (SCS) and subject to the overall terms and conditions, including remuneration, of the SCS. The Chief Executive is responsible for the day-to-day management of The Agency. He/she is directly accountable to the responsible Minister and the Permanent Secretary, as the Principal Accounting Officer, for the efficient running, financial management, overall performance and planning of The Agency. The Chief Executive is also responsible for advising Ministers on related legislation and any amendments required for which The Agency has responsibility and relevant policy issues.

6.2 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 the Agency. In addition, he or she should ensure that the Agency 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. The Chief Executive's performance as Accounting Officer will be reviewed as part of their SCS annual performance management with DG Business & Science.

### *Responsibilities for accounting to parliament*

6.3 The accountabilities include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and 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 the Agency are established and made widely known within the Agency;
- acting in accordance with the terms of this document, Managing Public Money and other instructions and guidance issued from time to time by BEIS, the Treasury and the Cabinet Office;
- giving evidence, normally with the PAO, when summoned before the Committee of Public Accounts (PAC) on the Agency's stewardship of public funds.



### *Responsibilities to BEIS*

#### 6.4 Particular responsibilities to BEIS include:

- establishing, in agreement with BEIS, the Agency's corporate plan in the light of the Department's wider strategic aims and agreed priorities;
- informing BEIS of progress in helping to achieve the Department's policy objectives and in demonstrating how resources are being used to achieve those objectives;
- ensuring the BEIS sponsor team are sighted on planned advice to Ministers and BEIS Communications is sighted on preparations for external communications activity;
- ensuring that timely forecasts and monitoring information on performance and finance are provided to BEIS; 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 BEIS in a timely fashion; and
- leading, and acting as a role model for UKSA, on building a strong network of collaborative relationships and partnerships with BEIS and across government, and where appropriate beyond (UK, EU and globally) to help deliver shared organisational, departmental and wider Whitehall priorities.

### *Responsibilities to the UK Space Agency's Steering Board*

#### 6.5 The Chief Executive is responsible for:

- advising the board on the discharge of the Agency's responsibilities as set out in this document and in any other relevant instructions and guidance that may be issued from time to time;
- advising the board on the Agency's performance compared with its aims and objectives;
- ensuring that financial considerations are taken fully into account by the Board in providing its advice to the Agency, and that financial appraisal techniques are followed.

## **7 The UK Space Agency's Steering Board**

7.1 The Steering Board has no executive functions. Its role is to advise Ministers, generally through the Departmental Sponsor, on the strategies to be adopted by the Agency as set out in its Corporate Plan, the targets to be set for quality of service and financial performance (and monitoring and advising on performance against these) and the resources needed to meet those targets. The Steering Board also provides advice and guidance to the Chief Executive and his/her senior team on the Agency's performance, operation and development, including its management of risk.

7.2 The Steering 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 Committee chaired by an independent non-executive member to provide independent advice. The board is expected to assure itself of the effectiveness of the internal control and risk management systems.

#### 7.3 The Steering Board's specific responsibilities are:

- To advise on strategic direction and provide the context for the corporate plan and overall targets,
- To provide strategic challenge and endorse the corporate plan
- To examine and endorse the annual report and accounts for submission by the Accounting Officer,

- To advise on exposure to risks to the Agency and its management,
- To advise on and monitor performance including the setting of targets, particularly in ensuring fit with Departmental and wider government aims and performance against them, as well as providing an independent assessment of the targets and the underlying processes, and management information.
- To advise on the scope and outcome of Agency reviews;
- To advise on major business developments which imply a significant change in the Agency's role and activities;
- To monitor the balance of activity between in-house and contracted work;
- To assess Agency capability and plans for the future;
- To advise on allocation of Agency resources.

#### *The Chair's personal responsibilities*

7.4 The Chair is responsible to the named minister. Communications between the Agency's Steering Board and the responsible minister should normally be by the Chair through the BEIS sponsor team. He or she is responsible for advising the Agency to enable the Chief Executive to take decisions on policies and actions that support the responsible minister's wider strategic policies and that its affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout the Agency by the Chief Executive.

7.5 In addition, the Steering Board Chair has the following leadership responsibilities:

- formulating the board's strategy;
- ensuring that the board, in advising the Chief Executive, 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;
- representing the views of the board to the general public; and
- building a strong network of collaborative relationships and partnerships with BEIS and across government, and where appropriate beyond (UK, EU and globally).

7.6 The Chair also has an obligation to ensure that:

- the work of the board and its members are reviewed and are working effectively;
- he or she provides advice to BEIS on the balance of skills of the Board appropriate to advising the Chief Executive on the Agency'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 of Agency's needs when board vacancies arise;
- he or she provides advice on the performance of individual board members when being considered for reappointment;
- there is a Board Terms of Reference in place setting out the role and responsibilities of the board consistent with the Government Code of Good Practice for Corporate Governance
- 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*

7.7 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;
- act in good faith and in the best interests of the Agency.

## **8 Annual report and accounts**

8.1 The Agency must publish an annual report of its activities together with its audited accounts after the end of each financial year. The Agency shall provide BEIS its finalised (audited) accounts by a date as agreed with BEIS Finance by the December of each financial year in order for the accounts to be consolidated within the Department for Business, Energy & Industrial Strategy.

8.2 The annual report must:

- cover any corporate, subsidiary or joint ventures under its control;
- comply with the Treasury's Financial Reporting Manual (FRM);
- outline main activities and performance during the previous financial year and set out in summary form forward plans;
- be submitted to Ministers for information before being laid in Parliament.

8.3 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 the Agency's website, in accordance with the guidance in the FRM. A draft of the report should be submitted to BEIS one month 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 the FRM.

## **9 Internal audit**

9.1 The UK Space Agency shall:

- establish and maintain arrangements for internal audit in accordance with the Treasury's Public Sector Internal Audit Standards (PSIAS) (<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>);
- ensure BEIS 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 committee of its board in accordance with the Code of Good for Corporate Governance and the Audit and Risk Assurance Committee Handbook;
- forward the audit strategy, periodic audit plans and annual audit report, including the Agency's Head of Internal Audit opinion on risk management, control and governance as soon as possible to BEIS; and
- keep records of, and prepare and forward to BEIS an annual report on fraud and theft suffered by the Agency and notify BEIS of any unusual or major incidents as soon as possible.

9.2 BEIS's internal audit service has a right of access to all documents prepared by the Agency's internal auditor, including where the service is contracted out.

## **10 External audit**

10.1 The Comptroller & Auditor General (C&AG) audits the Agency's annual accounts and lays them before Parliament, together with his report. The audited Annual Report and Accounts shall be laid before both Houses of Parliament, by the C&AG, before the start of the summer recess after the financial year end.

10.2 The C&AG:

- will consult BEIS and the Agency 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 the Agency;
- will share with the sponsor Department 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 Agency;
- 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.

10.3 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the Agency 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, the Agency 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*

10.4 BEIS has the right of access to all Agency records and personnel for any purpose including, for example, sponsorship audits and operational investigations.

### **Management and financial responsibilities**

#### **11 Managing Public Money and other government-wide corporate guidance and instructions**

11.1 Unless agreed by BEIS and, as necessary, HM Treasury, the Agency shall follow the principles, rules, guidance and advice in Managing Public Money, referring any difficulties or potential bids for exceptions to the Research Strategy & Impact Unit in BEIS in the first instance. A list of guidance and instructions with which the Agency should comply is in Appendix 2.

11.2 Once the budget has been approved by BEIS, and subject to any restrictions imposed by statute, the appropriate Minister, or this document, the Agency shall have authority to incur expenditure approved in the budget without further reference to BEIS, on the following conditions:

- the Agency shall comply with the Delegation of Financial Authority given in Appendix 1. These delegations shall not be altered without the prior agreement of BEIS;
- the Agency 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 BEIS approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed;

- the Agency shall provide BEIS with such information about its operations, performance, individual projects or other expenditure as BEIS may reasonably require.

## 12 Corporate governance

### *Steering Board appointments – the chairman and board members*

12.1 The Agency Steering Board Chair and members are appointed normally for a period of three years by the responsible Minister. Such appointments will comply with the Code of Practice of the Office of the Commissioner on Public Appointments.

### *Composition of the Steering Board*

12.2 In line with the government's Code of Good Practice for Corporate Governance, the Steering Board will consist of a Chair, together with not less than three nor more than six other members that have a balance of skills and experience appropriate to advising on the Agency's business. Membership of the UK Space Agency Steering Board is made up of:

- Four independent members, including the Chair, with relevant experience from industry or commerce enabling them to provide an external perspective and challenge. Independent Members are Ministerial appointments, in line with best practice guidance issued by the Office of the Commissioner for Public Appointments;
- The Director General, Business and Science, or his/her designated Deputy with responsibility for the Agency within the Department;
- The Chief Executive of the Agency;
- The Senior Information Risk Owner of the Agency.

12.3 The Steering Board normally meets six times a year.

12.4 The Steering Board is also responsible for overseeing management of:

- An Audit Committee chaired by an independent non-executive member to provide independent advice;
- Advice and guidance from a commercial standpoint to the Chief Executive and his/her senior team on the Agency's performance, operation and development;
- Advice and guidance on the management of risk.

## 13 Risk management

13.1 The Agency 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*. It should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury's guidance on tackling fraud. 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.

## 14 Corporate plan

14.1 The Agency shall submit annually to BEIS a draft of the corporate plan covering the year ahead. The draft should be submitted by the end of February for the subsequent financial year. The Agency shall agree with the department the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect the Agency'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 the light of wider public expenditure decisions). The plan shall demonstrate how the Agency contributes to the achievement of BEIS priorities.

14.2 The corporate plan shall include key targets and milestones for the year ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by BEIS. Subject to any commercial considerations, the corporate plan should be published by the Agency on its website and separately be made available to staff.

14.3 The following key matters should be included in the plans:

- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives;
- key non-financial performance targets;
- 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 BEIS and the Agency.

## **15 Budgeting procedures**

15.1 Each year, in the light of decisions by the department on the updated draft corporate plan, the department will send to the Agency by 1 April:

- a formal statement of the annual budgetary provision allocated by the department in the light of competing priorities across the department and of any forecast income approved by the department; and
- a statement of any planned change in policies affecting the Agency.

15.2 The Agency's approved annual budget 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 Agency's approved budget for the year in question.

## **16 Funding and any ring-fenced grants**

16.1 Any funding provided by the department for the year in question will be voted in the department's Supply Estimate and be subject to Parliamentary control.

16.2 The funding will normally be paid in monthly instalments on the basis of written applications showing evidence of need. The Agency 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 the funding or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of the Agency. Funding not drawn down by the end of the financial year shall lapse. Subject to approval by parliament of the relevant Estimates provision, where funding is delayed to avoid excess cash balances at the year-end, the department will make available in the next financial year any such funding that is required to meet any liabilities at the year end, such as creditors.

16.3 In the event that the department provides the Agency separate grants for specific (ringfenced) purposes, it would issue the grant as and when the Agency needed it on the basis of a written request. The Agency would provide evidence that the grant was used for the purposes authorised by the department. The Agency shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.

## **17 Reporting performance to BEIS**

17.1 The Agency 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 plans. The Agency shall inform BEIS 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 performance indicators as specified in the Corporate Plan regularly. The Agency's performance shall be formally reviewed by BEIS twice a year. The responsible minister will meet the chief executive at least once a year.

#### *Providing monitoring information to BEIS*

17.2 As a minimum, the Agency shall provide the department with information monthly that will enable the department satisfactorily to monitor:

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

#### *Agency/Department working level liaison arrangements*

17.3 Officials of the Research Strategy & Impact Unit in BEIS will liaise regularly with Agency officials to review financial performance against plans, achievement against targets and expenditure against its DEL and AME allocations. BEIS will also take the opportunity to explain wider policy developments that might have an impact on the Agency.

### **18 Delegated authorities**

18.1 The Agency's delegated authorities are set out in appendix 1.

18.2 The Chief Executive shall receive an allocation letter, updated for changes to allocations, or to confirm new allocations, which sets out his delegated authority to commit and certify expenditure and to authorise payments, and to accept receipts, against any budgets for which he/she is responsible for administering and managing, or against any allocations made to him/her from other budgets for the primary purpose of delivering the Agency's or the Department's objectives. The authority is subject to the terms of HM Treasury's delegated authority to the Department, and to the observance of any relevant guidance issued by HM Treasury or the Department.

18.3 The Agency shall obtain the department'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 the Agency'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.

### **19 Staff**

#### *Broad responsibilities for staff*

19.1 Within the arrangements approved by the responsible minister [and the Treasury] the Agency 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 the Agency 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 the Agency'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;

#### *Staff costs*

19.2 Subject to its delegated authorities, the Agency 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*

19.3 The Agency staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by BEIS [and the Treasury]. The Agency has no delegated power to amend these terms and conditions.

19.4 As 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 BEIS to vary such rates.

19.5 The Agency shall operate a performance-related pay scheme that shall form part of the general pay structure approved by BEIS and the Treasury.

19.6 The travel expenses of Steering Board members shall be tied to the rates allowed to senior staff at BEIS rates. Reasonable actual costs shall be reimbursed.

19.7 The Agency shall comply with the EU Directive on contract workers – the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations.

#### *Pensions, redundancy and compensation*

19.8 Agency staff shall normally be eligible for a pension provided by The Principal Civil Service Pension Scheme (PCSPS). Staff may opt out of the occupational pension scheme provided by the Agency, but that employers' contribution to any personal pension arrangement, including stakeholder pension shall normally be limited to the national insurance rebate level.

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

## **20 Review of Agency's status (and winding-up arrangements)**



20.1 BEIS is currently awaiting clarity from the Machinery of Government changes and will align with Cabinet Office guidance on Tailored Reviews on the method and timing of Partner Organisation reviews going forward.

## **21 Arrangements in the event that the Agency is wound up**

21.1 As is required by Managing Public Money for all Arm's Length Bodies, BEIS shall put in place arrangements to ensure the orderly winding up of the Agency. In particular it should ensure that the assets and liabilities of the Agency are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the assets and liabilities should revert to BEIS.) To this end, BEIS shall:

- ensure that procedures are in place in the Agency 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 the Agency'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, [for non-Crown bodies] 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 public body takes on the role, responsibilities, assets and liabilities, the succeeding public body AO should sign the closing accounts. In the event that BEIS inherits the role, responsibilities, assets and liabilities, BEIS's AO should sign.

21.2 The Agency shall provide BEIS with full details of all agreements where the Agency or its successors have a right to share in the financial gains of developers. It should also pass to BEIS details of any other forms of claw-back due to the Agency.



## **Appendix 1 - List of Delegated Authorities**

This is set out in the letter from the Director, Research Base, BIS to the CEO and Accounting Officer of the Agency, dated 1 April 2014, as updated from time to time.

## Appendix 2 - List of Government-wide Corporate Guidance Instructions

The Agency 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*:  
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>
- *Code of Conduct for Board Members of Public Bodies*:  
<https://www.gov.uk/government/publications/board-members-of-public-bodies-code-of-conduct>
- *Code of Practice for Ministerial Appointments to Public Bodies*:  
<http://publicappointmentscommissioner.independent.gov.uk/wp-content/uploads/2012/02/Order-in-Council-April-2012.pdf>
- *Managing Public Money* (MPM):  
<https://www.gov.uk/government/publications/managing-public-money>
- Public Sector Internal Audit Standards:  
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>
- Management of Risk: Principles and Concepts:  
<https://www.gov.uk/government/publications/orange-book>
- HM Treasury Guidance on Tackling Fraud:  
<http://webarchive.nationalarchives.gov.uk/20091118095658/http://www.hm-treasury.gov.uk/fraud>
- Government Financial Reporting Manual (FReM):  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/488328/2015-16\\_FReM\\_December\\_2015\\_.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/488328/2015-16_FReM_December_2015_.pdf)
- 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;
- Regularity, Propriety and Value for Money:  
[http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr\\_governance\\_valueformoney.htm](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_governance_valueformoney.htm)
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration:  
<http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples/principles-of-good-administration>
- Consolidation Officer Memorandum, and relevant DCO letters;
- Relevant Freedom of Information Act guidance and instructions (Ministry of Justice);
- A7.2 Drawing up framework documents Managing Public Money;
- Model Code for Staff of Executive Non-departmental Public Bodies (Cabinet Office):

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/80082/PublicBodiesGuide2006\\_5\\_public\\_body\\_staffv2\\_0.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf)

- 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 the Agency.