



Cabinet Office

Framework Document: Government Property Agency

An Executive Agency of the Cabinet Office



© Crown copyright 2022

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at: www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us at public.enquiries@hmtreasury.gov.uk

Government Property Agency

Framework Document

Introduction and Background	5
1. Purpose of document	5
2. Objectives	5
3. Classification	6
Purposes Aims and Duties	7
4. Purposes	7
5. Aims	7
Role of the department	8
6. The Responsible Minister	8
7. The Principal Accounting Officer (PAO)	9
8. The role of the Sponsorship team	10
9. The role of the Shareholder Representative	10
10. Resolution of disputes between GPA and the Department	11
11. Freedom of Information requests	11
GPA Governance and Structure	12
12. The Chief Executive	12
13. The Chair and Board	14
14. The Chair's role and responsibilities	17
15. Individual board members' responsibilities	18
Management and financial responsibilities and controls	19
16. Managing Public Money and other government-wide guidance and instructions	19
17. Delegated authorities	19
18. Spending authority	21
19. Banking and Managing Cash	21
20. Risk management	22
21. Counter Fraud	22
22. GPA Staff	23

Business Plans Financial Reporting and Management information	25
23. Corporate and business plans	25
24. Budgeting procedures	26
25. Grant-in-aid and any ring-fenced grants	26
26. Annual report and accounts	26
27. Reporting performance to the department	27
28. Information Sharing	28
Audit	30
29. Internal audit	30
30. External audit	30
Reviews and Winding up arrangements	32
31. Review of GPA's status	32
32. Arrangements in the event that the ALB is wound up	32
Appendices	34
33. Appendix A: Delegated authorities	34
34. Appendix B: Description of the Role of the Shareholder Representative	38
35. Appendix C: Applicable guidance documents and instructions	40

Introduction and Background

1. Purpose of document

1.1. This Framework Document (the "Framework Document") has been agreed between Cabinet Office as the sponsor department; UK Government Investments ("UKGI") as the "Shareholder Representative"; and the Government Property Agency ("GPA") as an Executive Agency of Cabinet Office, in accordance with HM Treasury's handbook Managing Public Money ("MPM") (as updated from time to time) and has been approved by HM Treasury.

1.2. The Framework Document sets out the governance framework within which GPA and the sponsor department operate, including where UKGI operates on the sponsor department's behalf as Shareholder Representative (as defined under Section 9). It sets out GPA's core responsibilities; describes the governance and accountability framework that applies between the roles of the sponsor department, GPA and UKGI; and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.

1.3. The document does not convey any legal powers or responsibilities, but all parties agree to operate within its terms.

1.4. GPA may be involved in the management of joint ventures or companies from time to time. Arrangements between the Cabinet Office, GPA, the joint venture/company and other public sector bodies will be determined on a case by case basis.

1.5. Agreement of any new joint ventures or companies will be subject to ministerial approval of a business case submitted by GPA, with relevant parties in the department and the Shareholder Representative involved as appropriate.

1.6. 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 GPA website:
<https://www.gov.uk/government/organisations/government-property-agency>.

1.7. This Framework document should be reviewed and updated at least every 3 years unless there are exceptional reasons that render this inappropriate that have been agreed with HM Treasury and the Principal Accounting Officer of the sponsor department. The latest date for review and updating of this document is November 2025.

2. Objectives

2.1. Cabinet Office sets the policy framework for the delivery of government property objectives through the Government Property Strategy, the Government Property Functional Standard and the Government Property Profession career framework. It coordinates

delivery across the government's property portfolios. Within this policy framework and conducting its business in line with the aforementioned standards, GPA is responsible for developing strategy and delivering property and workplace solutions across central government's general purpose property portfolios (including offices and warehouses).

2.2. The primary aim of GPA is to deliver government's policy on its general purpose estate as a commercial property organisation. This is underpinned by the central belief that by strengthening commercial incentives and implementing cross-government strategies, substantially greater value can be realised from the central government general purpose estate than departments can deliver on their own. To achieve this, GPA takes a strategic, cross-government, coordinated approach to property, property projects, workplace services, property technology, property security and other property services to deliver government policy.

2.3. GPA establishes a whole system approach to property asset management across the central government general purpose estate, maximising returns and minimising waste through the identification and implementation of rationalisation opportunities.

2.4. GPA meets the operational property requirements of departments for general purpose assets (comprising offices, warehouses, storage, depots and specified non-specialist assets in the science estate). GPA has the capability to be a transformation agent for government, through the Whitehall Campus, Hubs and other programmes, as well as office and warehouse rationalisation.

2.5. GPA develops a 10 year strategy to deliver on its objectives. This sets out a vision for the future, which is reviewed and approved by the Department at least every 3 years. Further detail is set out on the GPA website at www.gov.uk/government/publications/gpa-strategy-2020-2030.

2.6. GPA's strategic objectives are:

- i. Supporting growth across the UK
- ii. Supporting Civil Service Reform
- iii. Contribute to Net Zero
- iv. Deliver best value

3. Classification

3.1. GPA has been classified as a central government organisation by the Office for National Statistics.

3.2. It has been administratively classified by the Cabinet Office as an Executive Agency.

Purposes Aims and Duties

4. Purposes

4.1. GPA was established to deliver on the 2015 Budget announcement that government would take a new commercially-driven approach to land and property asset management across the government's general purpose estate. Its purposes, set out below, are to:

- i. Create and maintain great places to work for UK civil servants;
- ii. Promote the adoption of Smarter Working to improve productivity;
- iii. Solve departments' property issues so they can focus on their role;
- iv. Manage Government property assets sustainably for the long term; and
- v. Use commercial expertise to deliver best value for government.

5. Aims

5.1. GPA's strategic aims are to:

- i. Manage portfolios strategically, across departmental boundaries, exploiting the full value of government's substantial investment in land and property;
- ii. Extract 'enterprise value', making property an enabler rather than a barrier to Civil Service Reform and departmental transformation;
- iii. Onboard general purpose property assets and manage them as shared facilities;
- iv. Nurture a customer centric approach building a role as trusted property partner with departments;
- v. Create a centre of excellence in government for property management, recharging departments for services provided;
- vi. Introduce a commercial approach, with transparent costs and incentives that drive asset efficiency;
- vii. Realise savings from property to enable the reduction of HM Treasury expenditure; and
- viii. Improve data quality and analysis as the pre-requisite to effective management and decision making.

5.2. GPA's annual business plans set out its objectives, targets and performance indicators in greater detail. These can be found on the GPA website at www.gov.uk/government/organisations/government-property-agency.

Governance and accountability

6. Governance and accountability

6.1. GPA shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this framework document or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.

6.2. In particular (but without limitation), GPA should:

- comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice¹ (as amended and updated from time to time) to the extent appropriate and in line with their statutory duties or specify and explain any non-compliance in its annual report
- comply with MPM
- in line with MPM have regard to the relevant Functional Standards² as appropriate and in particular those concerning Finance, Commercial and Counter Fraud
- take into account, the codes of good practice and guidance set out in Appendix C of this framework document, as they apply to ALBs

6.3. In line with MPM Annex 3.1, GPA shall provide an account of corporate governance in its annual governance statement including the Board's assessment of its compliance with the Code with explanations of any material departures. To the extent that GPA does intend to materially depart from the Code, the shareholder representative should be notified in advance.

Role of the department

7. The Responsible Minister

7.1. The Minister for the Cabinet Office ("MCO") ("the Responsible Minister") is accountable to Parliament for all matters concerning GPA.

7.2. The Responsible Minister:

- is responsible for the policy framework within which GPA operates;
- provides guidance and direction to ensure the strategic objectives of GPA are consistent with those of the department and government;
- approves the GPA strategy and business plan;
- has the power to appoint and remove the GPA Chair and Chief Executive;
- has the power to approve non-executives; and

¹ <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

² <https://www.gov.uk/government/collections/functional-standards>

- has the power to delegate Ministerial responsibility to a named Cabinet Office Minister.

7.3. The GPA Chair and Chief Executive have the right of direct access to the Responsible Minister.

7.4. The Responsible Minister will decide the appropriate way to respond to PQs about GPA and will normally ask the Chief Executive to write to a Member of Parliament who asks a question about any matter delegated to the GPA. Such letters from the Chief Executive will be published in Hansard.

8. The Principal Accounting Officer (PAO)

8.1. The Principal Accounting Officer is the Permanent Secretary of the department.

PAO's specific accountabilities and responsibilities

8.2. The Principal Accounting Officer (PAO) of Cabinet Office designates the Chief Executive as GPA's Accounting Officer (AO) and ensures that he / she is fully aware of his or her responsibilities. The PAO issues a letter appointing the AO, setting out his or her responsibilities and delegated authorities.

8.3. The respective responsibilities of the PAO and AOs for ALBs are set out in Chapter 3 of Managing Public Money.

8.4. The PAO is accountable to Parliament for the issue of any grant-in-aid to GPA.

8.5. The PAO is also responsible for advising the Responsible Minister on:

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

8.6. The PAO via the sponsorship team is also responsible for ensuring arrangements are in place in order to:

- monitor GPA's activities and performance;
- address significant problems in GPA, making such interventions as are judged necessary;
- periodically and at such frequency as is proportionate to the level of risk carry out an assessment of the risks both to the department and GPA's objectives and activities in line with the wider departmental risk assessment process;
- inform GPA of relevant government policy in a timely manner and address any policy issues raised by GPA; and
- bring Ministerial or departmental concerns about the activities of GPA to the GPA board, and, as appropriate, to the departmental board

requiring explanations and assurances that appropriate action has been taken.

8.7. The PAO may delegate the day-to-day oversight of GPA to the Director General of the Government Property Function.

8.8. The sponsor department has entered into a Memorandum of Understanding with UK Government Investments to discharge some of these functions.

9. The role of the Sponsorship team

9.1. The Office of Government Property (“OGP”) in the Department is the primary contact for GPA. The responsible Senior Civil Servant for this relationship is the Director General of the Government Property Function (the “Senior Sponsor”). They are the main source of advice to the Responsible Minister on the discharge of his or her responsibilities in respect of GPA. They also support the PAO on his or her responsibilities toward GPA.

9.2. OGP is responsible for setting the strategic context and policy direction for GPA. In addition, OGP will proactively explain wider policy developments that might have an impact on GPA. OGP will also support GPA in obtaining the relevant contacts within Government for non-property areas of policy.

9.3. Officials of OGP and the finance team in the sponsor Department will liaise regularly with GPA officials to review performance against plans, achievement against targets and expenditure against its DEL and AME allocations.

10. The role of the Shareholder Representative

10.1. The Shareholder Representative is responsible for discharging certain responsibilities of the sponsor department as ‘Shareholder’ (as set out in more detail under Appendix B) and will seek regular input from the sponsor department.

10.2. The Shareholder Representative shall:

- establish and maintain appropriate and effective corporate governance foundations which govern the sponsor department, Shareholder Representative and GPA’s relationship;
- promote effective objectives, business planning and performance against the Corporate Plan;
- promote the organisational capability of GPA to deliver against the Corporate Plan;
- promote effective leadership (high quality Boards and senior management);
- promote effective relationships between the sponsor department, Shareholder Representative and GPA; and
- support and supplement the activities outlined above by providing an experienced Non-Executive Director on the Board of GPA.

11. Resolution of disputes between GPA and the Department

11.1. Any disputes between the Department and GPA will be resolved in as timely a manner as possible. The Department and GPA will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the Senior Sponsor, will be used to resolve the issue. Failing this, the Senior Sponsor may then choose to ask the Permanent Secretary to nominate a non-executive member of the Department's Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the Minister for the Cabinet Office.

11.2. Specific areas where disputes could require a formal process include, for example, circumstances where:

- i. there are early indications of a risk of material failure and the judgement of GPA, sponsor department or Shareholder Representative is that additional input is required to mitigate this risk;
- ii. financial and/or non-financial performance of GPA is deteriorating, objectives are at risk of not being met, or there are other significant concerns within the sponsor department or Shareholder Representative about performance;
- iii. a significant adverse situation arises, for example where the National Audit Office ("NAO") could be asked to investigate in the public interest;
- iv. any party does not comply with this Framework Document.

12. Freedom of Information requests

12.1. Where a request for information is received by any party under the Freedom of Information Act 2000, or the Data Protection Act 1998 or 2018, the party receiving the request will consult with the other parties prior to any disclosure of information that may affect the other parties' responsibilities.

GPA Governance and Structure

13. The Chief Executive

Appointment

13.1. The Chief Executive of GPA is appointed by the MCO in consultation with the Board (led by the Chair) and is directly accountable to the Minister for the Cabinet Office and the Permanent Secretary of the Cabinet Office, as the Principal Accounting Officer, for the efficient running, financial management, overall performance and strategic planning of the organisation.

13.2. The Shareholder Representative will lead the recruitment of the Chief Executive, involving both the GPA Chair and the Director General of the Government Property Function as members of the selection panel.

Responsibilities of GPA's Chief Executive as Accounting Officer

13.3. The Chief Executive as Accounting Officer is personally responsible for safeguarding the public funds for which they have 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 GPA. In addition, they should ensure that GPA 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. These responsibilities include the below and those that are set out in the Accounting Officer appointment letter issued by the Principal Accounting Officer of the Sponsor Department.

13.4. In the event of a complaint about the Chief Executive, the Chair will discuss with the Director General of the Government Property Function and the PAO, taking appropriate advice from Cabinet Office HR.

Responsibilities for accounting to Parliament

13.5. 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 MCO;
- 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 GPA are established and made widely known within GPA;
- acting in accordance with the terms of Managing Public Money and other instructions and guidance issued from time to time by the Treasury and the Cabinet Office;
- ensuring that as part of the above compliance they are familiar with and act in accordance with:
 - any relevant legislation;
 - this framework document;
 - any delegation letter issued to GPA as set out in paragraph 18.1;

- any elements of any settlement letter issued to the sponsor department that is relevant to the operation of GPA; and
- any separate settlement letter that is issued to GPA from the sponsor department.
- ensuring GPA have appropriate internal mechanisms for the monitoring, governance and external reporting regarding compliance any conditions arising from the above documents; and
- giving evidence, normally with the PAO, when summoned before the PAC on GPA's stewardship of public funds.

Responsibilities to Cabinet Office

13.6. Responsibilities to Cabinet Office, and the Shareholder Representative where consistent with the role as set out under Section 9, include:

- establishing, in agreement with the department, GPA's strategy and business plans in the light of the department's wider strategic aims and agreed priorities;
- informing the department of progress in helping to achieve the department's 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 the department; 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

13.7. The Chief Executive is responsible for:

- advising the board on the discharge of their 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 GPA'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.

Managing conflicts

13.8. In executive agencies, final decisions, responsibility and accountability rest with the Chief Executive as accounting officer. However, the expectation is that the Chief Executive will follow the advice of the Board.

13.9. 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 the Chief Executive in their role as AO should reject that course of action.

13.10. The Chief Executive must ensure that the Board have a full opportunity to discuss the rationale. The Chief Executive should confirm the rationale for not following the advice of the Board in writing to the

Chair of the Board and the Principal Accounting Officer, and copy that to the Treasury Officer of Accounts.

13.11. If the responsible Minister agrees with the proposed course of action of the Board, it may be appropriate for the Minister to direct the AO in the manner as set out in MPM paragraph 3.6.6 onwards.

14. The Chair and Board

Composition of the board

14.1. GPA will have a Board in line with good standards of Corporate Governance and as set out in Annex A and other relevant guidance. The role of the Board shall be to advise GPA, and to deliver the Objectives, in accordance with the purposes as set out above, their statutory, regulatory, common law duties and their responsibilities under this Framework Document. Detailed responsibilities of the Board shall be set out in the Board terms of reference. Remuneration of the Board will be disclosed in line with the guidance in the Government Financial Reporting manual (FReM).

14.2. The Board will consist of no more than ten members and will include:

- a Chair;
- the Chief Executive;
- the Finance Director;
- at least three independent non-executive members, one of whom will be appointed Senior Independent Director (SID), that have a balance of skills and experience appropriate to directing GPA's business;
- the Shareholder Representative will also provide one non-executive member (the "Shareholder NED"), to enable proper scrutiny and execution of its 'Shareholder role' through senior representation; and
- the PAO may provide up to two further non-executive members from within government where there is a strong policy or cross-government coordination rationale for their inclusion.

14.3. For GPA there should be members who have experience of its business, operational delivery, corporate services such as HR, information services, technology, property asset management, estate management, communications, customer service and performance management. This will include as an executive and voting board member an appropriately qualified finance director as described in Annex 4.1 of Managing Public Money. The board should include a majority of independent non-executive members to ensure that executive members are supported and constructively challenged in their role.

Board Committees

14.4. The Board may set up such committees as necessary for it to fulfil its functions. As is detailed below, at a minimum this should include an Audit and Risk Committee, a Nominations and Remuneration Committee, and an Investment Committee. Each should be chaired by an independent and appropriately qualified non-executive member of the Board.

14.5. While the board may make use of committees to assist its consideration of appointments, succession, audit, risk and remuneration it retains responsibility for, and endorses, final decisions in all of these areas. The Chair should ensure that sufficient time is allowed at the board for committees to report on the nature and content of discussion, on recommendations, and on actions to be taken.

14.6. Where there is disagreement between the relevant committee and the board, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreement cannot be resolved, the committee concerned should have the right to report the issue to the Shareholder Representative, Principal Accounting Officer/sponsorship team and Responsible Minister. They may also seek to ensure the disagreement or concern is reflected as part of the report on its activities in the annual report.

14.7. The Chair should ensure board committees are properly structured with appropriate terms of reference. The terms of each committee should set out its responsibilities and the authority delegated to it by the board. The Chair should ensure that committee membership is periodically refreshed and that individual independent non-executive directors are not over-burdened when deciding the chairs and membership of committees.

Appointments to the Board

14.8. The Chair is appointed by the MCO at the advice of the Director General of the Government Property Function and Shareholder Representative. The recruitment will be led by the Shareholder Representative, who will be responsible for seeking Ministerial approval and keeping the Board and PAO suitably informed throughout the process.

14.9. Independent Non-executive Members are appointed by the Chair at the advice of the Nominations and Remuneration Committee and subject to the prior written consent of the MCO. The MCO should be informed prior to any recruitment campaign and the request to the sponsor department for approval of the final appointment should be accompanied by a justification. The Nominations and Remuneration Committee should ensure that the assessment panel includes the Shareholder NED and at least one independent member from outside of GPA.

14.10. The Shareholder Representative may nominate one Non-executive Member and the Permanent Secretary of the Cabinet Office may appoint up to two further Non-executive Members from within Government.

14.11. All such appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint boards which include a balance of skills and backgrounds.

Duties of the Board

14.12. The Board is responsible for:

- establishing and taking forward the strategic aims and objectives of GPA consistent with its overall strategic direction

and within the policy and resources framework determined by the Minister of the Cabinet Office;

- providing effective leadership of GPA within a framework of prudent and effective controls which enables risk to be assessed and managed;
- ensuring the financial and human resources are in place for GPA to meet its objectives;
- reviewing management performance
- ensuring that the Board receives and reviews regular financial and management information concerning the management of GPA;
- ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of the GPA Board or on the attainability of its targets, and determining the steps needed to deal with such changes and where appropriate bringing such matters to the attention of the Responsible Minister and Principal Accounting Officer via the executive team, sponsorship team or directly;
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the board operates within the limits of 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 the sponsor department;
- ensuring that as part of the above compliance they are familiar with:
 - this framework document,
 - any delegation letter issued to body as set out in paragraph 18.1;
 - any elements of any settlement letter issued to the sponsor department that is relevant to the operation of the ALB; and
 - any separate settlement letter that is issued to the ALB from the sponsor department; and
 - that they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding any conditions arising from the above documents and ensure that the Chief Executive and GPA as a whole act in accordance with their obligations under the above documents.
- demonstrating high standards of corporate governance at all times, including by using the independent audit committee to help the Board to address key financial and other risks;
- appointing with the Responsible Minister and PAO's approval a Chief Executive and, in consultation with the Shareholder Representative, set performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use and utilization of public resources;
- appointing one of the independent non-executives as SID;
- putting in place mechanisms for independent appraisal and annual evaluation of the performance of the Chair by the SID and the Shareholder Representative, taking into account the views of relevant stakeholders. The outcome of that evaluation should be made available to the Responsible Minister; and

- determining all such other things which the Board considers ancillary or conducive to the attainment or fulfilment by GPA of its Objectives.

14.13. The Board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control.

14.14. The Board should make a strategic choice about the style, shape and quality of risk management, including risk appetite, and should lead the assessment and management of opportunity and risk. The board should ensure that effective arrangements are in place to provide assurance over the design and operation of risk management, governance and internal control in line with the *Management of Risk – Principles and Concepts (The Orange Book)*. The board must set up an Audit and Risk Assurance Committee chaired by an independent and appropriately qualified non-executive member to provide independent advice and ensure that the department's Audit and Risk Assurance Committee are provided with routine assurances with escalation of any significant limitations or concerns. The board is expected to assure itself of the adequacy and effectiveness of the risk management framework and the operation of internal control.

15. The Chair's role and responsibilities

15.1. The Chair is responsible for leading the board in the delivery of its responsibilities. Such responsibility should be exercised in the light of their duties and responsibilities as set out in the Chair's contract of employment, this document and the documents and guidance referred to within this document.

15.2. Communications between GPA's board and the Responsible Minister should normally be through the Chair.

15.3. The Chair is bound by the *Code of Conduct for Board Members of Public Bodies*³, which covers conduct in the role and includes the *Nolan Principles of Public Life*.⁴

15.4. In addition, the Chair is responsible for:

- Ensuring, including by monitoring and engaging with appropriate governance arrangements, that GPA's affairs are conducted with probity.
- Ensuring that policies and actions support the Responsible Minister's, and where relevant other Ministers', wider strategic policies and, where appropriate, these policies and actions should be clearly communicated and disseminated throughout GPA.

15.5. The Chair has the following leadership responsibilities:

- formulating a strategy for the Board;
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the Responsible Minister or the department;

³ <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>

⁴ <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

- promoting the efficient and effective use of staff and other resources;
- delivering high standards of regularity and propriety; and
- setting objectives for the Chief Executive in line with GPA's wider strategic priorities and carrying out an annual appraisal of the Chief Executive's performance against those objectives.

15.6. The Chair also has an obligation to ensure that:

- the work of the board and its members are reviewed and are working effectively including ongoing assessment of the performance of individual board members with a formal annual evaluation and more in-depth assessments of the performance of individual board members when being considered for re-appointment. This review is to be conducted externally once every three years;
- that in conducting assessments that the view of relevant stakeholders including employees, the Shareholder Representative and the sponsorship team are sought and considered;
- that the board has a balance of skills appropriate to directing GPA's business, and that all directors including the Chair and Chief Executive continually update their skills, knowledge and familiarity with GPA to fulfil their role both on the board and committees. This will include but not be limited to skills and training in relation to financial management and reporting requirements, commercial property, risk management and the requirements of board membership within the public sector;
- board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- they, 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 GPA's needs when board vacancies arise;
- 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.

16. Individual board members' responsibilities

16.1. Individual board members should:

- comply at all times with the Code of Conduct for Board Members of Public Bodies, which covers conduct in the role and includes the Nolan Principles of Public Life as well as rules relating to the use of public funds and to conflicts of interest;
- demonstrate adherence to the 12 Principles of Governance for all Public Body Non-Executive Directors as appropriate⁵

⁵ <https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-neds>

- 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 GPA ensuring they are familiar with any applicable guidance on the role of Public Sector non-executive directors and Boards that may be issued from time to time by the Cabinet Office, HM Treasury or wider government.

Management and financial responsibilities and controls

17. Managing Public Money and other government-wide guidance and instructions

17.1. Unless agreed by the department and, as necessary by HM Treasury, GPA shall follow the principles, rules, guidance and advice in Managing Public Money, referring any difficulties or potential bids for exceptions to Cabinet Office in the first instance. Where these exceptions are agreed between the relevant parties, this document will form the relevant authority.

17.2. A list of additional guidance and instructions with which GPA should comply is in Appendix C. This may be updated from time to time and changes to this should be communicated to GPA by the sponsorship team and Shareholder Representative.

17.3. GPA shall comply with the relevant Functional Standards as appropriate and in particular those concerning Finance, Commercial, Property, Counter Fraud and security.

18. Delegated authorities

18.1. GPA's delegated authorities are set out in the delegation letter in Appendix A. This delegation letter may be updated and superseded by later versions which may be issued by the sponsor department in agreement with HM Treasury.

18.2. In line with Managing Public Money Annex 2.2 these delegations will be reviewed on an annual basis.

18.3. GPA's delegation letter describes how the authority to commit the GPA to expenditure and/or supply of goods and services is delegated from the Cabinet Office to the GPA Accounting Officer, and from the GPA Accounting Officer to senior executives in GPA.

18.4. In instances where investment and contract proposals involve any of the following, GPA Investment Committee approval be required and subsequently GPA will need to seek the department's and where appropriate HM Treasury's prior written approval:

- entering into any undertaking to incur any expenditure that falls outside of GPA's delegations or which is not provided for in GPA'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.

18.5. The GPA Board has a primary role to authorise the submission for approval to the Department and HMT where proposals meet the criteria in 18.4. This should be following consultation with the Senior Sponsor or the Shareholder Representative in line with their respective roles set out in sections 9 and 10.

18.6. GPA shall then submit the proposals to the Department via the Responsible Minister for approval, copying in the PAO, the Senior Sponsor, the Shareholder Representative and Cabinet Office Finance. If necessary, following Ministerial approval GPA shall then submit the proposals to the relevant HMT Spending Team for approval.

18.7. If a proposal does not meet the criteria set out in 18.4, then it will not follow the process set out in 18.5 and 18.6. Instead, it will follow GPA's internal processes for reviewing, challenging and approving or otherwise decisions to commit GPA to expenditure and/or supply of goods or services.

18.8. This role is performed by the GPA Investment Committee which is chaired by an independent non-executive director. Members of the Investment Committee are the Executive Directors, including the Finance Director and a representative of the Cabinet Office Finance team, and two NEDs (including the Chair of the Committee).

18.9. The Investment Committee has delegated decision-making authority to approve GPA investment and contract proposals on behalf of the Cabinet Office Investment Approvals Committee (subject to HMT delegated approval limits and the other criteria set out in 18.4).

19. Spending authority

19.1. Once the budget has been approved by the sponsor department and subject to any restrictions imposed by the Responsible Minister's

instructions or HM Treasury settlement or delegation letters, the ALB shall have authority to incur expenditure approved in the budget without further reference to the sponsor department, on the following conditions:

- GPA shall comply with the delegations set out in section 18. These delegations shall not be altered without the prior agreement of the sponsor department and as agreed by HM Treasury and Cabinet Office as appropriate;
- GPA shall comply with Managing Public Money regarding novel, contentious or repercussive proposals;
- GPA shall comply with the Cabinet Office Controls over expenditure, which may be updated from time to time;
- 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
- GPA shall provide the sponsor department with such information about its operations, performance, individual projects or other expenditure as the sponsor department may reasonably require.

19.2. In addition, as an executive agency GPA is subject to all centrally set spending controls, which may be amended from time to time. The most notable of these are listed in Appendix C.

20. Banking and Managing Cash

20.1. GPA must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking).

20.2. GPA should only hold money outside Government Banking Service accounts where a good business case can be made for doing so and HM Treasury consent is required for each account to be established. Only commercial banks which are members of relevant UK clearing bodies may be considered for this purpose.

20.3. Commercial Accounts where approved should be operated in line with the principles as set out in Managing Public Money.

20.4. The Accounting Officer is responsible for ensuring GPA has a Banking Policy as set out in Managing Public Money and ensuring that policy is complied with.

21. Procurement

21.1. GPA shall ensure that its procurement policies are aligned with and comply with any relevant UK or other international procurement rules and in particular the Public Contracts Regulations 2015.

21.2. GPA shall establish its procurement policies and document these in a Procurement Policy and Procedures Manual.

21.3. In procurement cases where GPA is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the department's sponsor team.

21.4. Goods, services, and works should be acquired by competition. Proposals to let single-tender or restricted contracts shall be limited and

exceptional, and a quarterly report explaining those exceptions should be sent to the Shareholder Representative.

21.5. Procurement by GPA of works, equipment, goods, and services shall be based on, a full option appraisal and value for money (VfM), i.e. the optimum combination and whole life costs and quality (fitness for purpose).

21.6. GPA shall:

- engage fully with department and government wide procurement initiatives that seek to achieve VfM from collaborative projects
- comply with all relevant Procurement Policy Notes issued by Cabinet Office
- co-operate fully with initiatives to improve the availability of procurement data to facilitate the achievement of VfM

21.7. GPA shall comply with the commercial⁶ and grants standards⁷. These standards apply to the planning, delivery, and management of government commercial activity, including management of grants in all departments and ALBs, regardless of commercial approach used and form part of a suite of functional standards that set expectations for management within government.

22. Risk management

22.1. GPA 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).

23. Counter Fraud

23.1. GPA should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set in in Managing Public Money Annex 4.9. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter a contract or to provide grant or grant-in-aid.

23.2. GPA should keep records of and prepare and forward to the department an annual report on fraud and theft suffered by GPA and notify the sponsor department of any unusual or major incidents as soon as possible. GPA should also report identified loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the counter fraud centre of expertise in line with the agreed government definitions as set out in *Counter Fraud Functional Standard*.⁸

⁶ <https://www.gov.uk/government/publications/commercial-operating-standards-for-government>

⁷ <https://www.gov.uk/government/publications/grants-standards>

⁸ <https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>

24. GPA Staff

Broad responsibilities for staff

24.1. Within the arrangements approved by the Responsible Minister and the Treasury, GPA will have responsibility for the recruitment, retention and motivation of its staff (including SCS). 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 GPA 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 GPA'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* (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staff_v2_0.pdf).

Staff costs

24.2. Subject to its delegated authorities, GPA 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

24.3. GPA's staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by the sponsor department and the Treasury. GPA has delegated responsibility to set pay rates (within HM Treasury and Cabinet Office rules) for staff at and below the Grade 6 level. Members of the Senior Civil Service within GPA will have the status, pay and other conditions of service which are common to the Senior Civil Service. GPA does not have delegated power to amend these terms and conditions for members of the Senior Civil Service.

24.4. 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 (<https://www.gov.uk/government/publications/civil-servants-terms-and-conditions>) and the annual Civil Service Pay Remit Guidance, except

where prior approval has been given by the department to vary such rates.

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

24.6. GPA shall abide by public sector pay controls, including the relevant approvals process dependent on the organisations classification as detailed in the Senior Pay Guidance (<https://www.gov.uk/government/publications/senior-civil-service-pay-and-reward>) and the public sector pay and terms guidance (<https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>).

24.7. GPA shall operate a performance-related pay scheme that shall form part of the annual aggregate pay budget approved by the department or the general pay structure approved by the department and the Treasury whichever is applicable, where relevant with due regard to the senior pay guidance.

24.8. The travel expenses of board members shall be tied to the rates allowed to senior staff of GPA. Reasonable actual costs shall be reimbursed.

Pensions, redundancy and compensation

24.9. Compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments.

24.10. GPA staff shall normally be eligible for an occupational pension provided by the Civil Service Pension Arrangements. Staff may opt out of Alpha (a defined benefit scheme) and choose to join Partnership (a defined contribution pension scheme). If staff opt out of the occupational pension scheme completely, they will not receive any additional allowances or supplements.

24.11. Any proposal by GPA 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.

24.12. GPA staff who are members of a public service pension scheme and move from the public sector to an independent contractor by way of a transfer to which TUPE applies will be eligible to remain members of the Pension scheme under the Fair Deal guidance October 2013.

SCS posts

24.13. Recruitment to the most senior SCS role in GPA for each profession will include the relevant Cabinet Office or Functional leader as a member of the interview panel, e.g. Head of Finance Profession for the GPA Finance Director role. Senior property posts within GPA shall be appointed by the Chief Executive, with the Director General of the

Government Property Function involved as a member of the interview panel.

24.14. The process for the appointment of the Chief Executive will deviate from the process followed for other SCS roles, as set out under Section 12.

24.15. GPA is responsible for ensuring:

- i. Adherence to the Civil Service Commission recruitment principles, including the recording of details required for the annual audit. Any breach found will be recorded against GPA and not Cabinet Office;
- ii. Adherence to the Cabinet Office-GPA MoU relating to HR processes;
- iii. Maintenance of appropriate HR records and issuing SCS contracts;
- iv. Utilisation of the SCS Recruitment Service provided by Cabinet Office HR / Civil Service HR, unless agreed otherwise with the Cabinet Office HR Director; and
- v. Composition of interview panels is diverse and accords with relevant Civil Service guidance.

Business Plans Financial Reporting and Management information

25. Corporate and business plans

25.1. By 31 January GPA shall submit annually to the Senior Sponsor a draft of the business plan. GPA shall agree with the Senior Sponsor and the Shareholder Representative the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect GPA's 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 GPA contributes to the achievement of the department's medium-term plan and priorities and aligned performance metrics and milestones.

25.2. The business plan shall be updated to include key targets and milestones for the year immediately ahead and shall 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, a digest of the corporate and business plans should be published by GPA on its website and separately be made available to staff.

25.3. 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;
- a review of performance in the preceding financial year, together with comparable outturns for the previous 2 years, and an estimate of performance in the current 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, the Shareholder Representative and GPA.

26. Budgeting procedures

26.1. Each year, in the light of decisions by the department on the updated draft business plan, the department will send to GPA by 31 March:

- 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 GPA.

26.2. 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.

27. Any ring-fenced grants

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

28. Annual report and accounts

28.1. The GPA Board must publish an annual report of its activities together with its audited accounts after the end of each financial year. GPA shall provide the department with its finalised (audited) accounts by 30 June each year in order for the accounts to be consolidated within Cabinet Office's. A draft of the report should be submitted to the department 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 the Treasury's Financial Reporting Manual (FReM).

28.2. The annual report must:

- cover any corporate, subsidiary or joint ventures under its control;
- comply with the FreM and in particular have regard to the illustrative statements for an executive agency⁹; and
- outline main activities and performance during the previous financial year and set out in summary form forward plans.

28.3. 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

⁹ <https://www.gov.uk/government/publications/government-financial-reporting-manual-2020-21>.

available on GPA's website, in accordance with the guidance in the FReM.

29. Reporting performance to the department

29.1. GPA 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.

29.2. GPA shall inform the Shareholder Representative in the first instance, and then the sponsor department 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.

29.3. GPA's performance shall be formally reviewed by the department quarterly ("quarterly sponsorship meeting") in conjunction with the Shareholder Representative. This will include at the annual Ministerial meeting in March and then in each successive quarter, with the PAO, Director General of the Government Property Function, GPA Chief Executive, GPA Chair and Shareholder NED to be in attendance at each of these meetings. Quarterly sponsorship meetings will focus on GPA's performance against its strategic objectives, including any pre-agreed KPIs, as well as how GPA's key relationships with the Department and Shareholder Representative are functioning.

29.4. The Responsible Minister will meet the GPA Board at least once a year.

29.5. The Principal Accounting Officer will meet the GPA Chief Executive at least quarterly.

29.6. The Annual Report may be supplemented by a more detailed end of year report to the department. The content and timing of any such report will be set by Cabinet Office in consultation with GPA.

Reporting on legal risk and litigation

29.7. Notwithstanding the provisions of any protocol agreed under the terms of clause 23.11. below, GPA shall provide a quarterly update to the sponsor department (through the Shareholder Representative) on the existence of any active litigation and any threatened or reasonably anticipated litigation.

29.8. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the sponsor department in a timely manner.

29.9. In respect of each substantial piece of litigation involving GPA, the parties will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of the litigation and the protection of legally privileged information transmitted to the

sponsor department to facilitate this. Until such time as a protocol is agreed, the parties will ensure that:

- i. material developments in the litigation are communicated to the sponsor department in an appropriate and timely manner;
- ii. legally privileged documents and information are clearly marked as such;
- iii. individual employees handling the legally privileged documents are familiar with principles to which they must adhere to protect that legal privilege; and
- iv. circulation of privileged information within HMG occurs only as necessary.

State of the Estate

29.10. Cabinet Office is required to report to Parliament under the Climate Change Act 2008 through the annual State of the Estate (SOFTE) Report, an assessment of progress made in the year towards improving the efficiency and contribution to sustainability of property in the government estate. GPA are required to submit an annual return to the SOFTE commission as needed.

29.11. A data mandate was issued by the Chancellor of the Duchy of Lancaster in December 2020, whereby all departments and their ALBs and Agencies are required to provide data as prescribed in the Government Property Data Standard (GovS004-PDS010). GPA shall provide data for all relevant data fields as set out in the standard and agreed with the sponsor department, for all the properties under their management, within the agreed timeframe. Data will be provided to the government property database through the most efficient method. Data is to be updated as required in order to maintain an accurate data source.

30. Information Sharing

30.1. The department and Shareholder Representative have the right of access to all GPA records and personnel for any purpose including, for example, sponsorship audits and operational investigations.

30.2. GPA shall provide the sponsor department with such information about its operations, performance, individual projects or other expenditure as the sponsor department may reasonably require.

30.3. The department and HM Treasury may request the sharing of data held by GPA in such a manner as set out in central guidance except insofar as it is prohibited by law. This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.

30.4. As a minimum, GPA shall provide the department with information monthly that will enable the department satisfactorily to monitor:

- the ALB'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); and
- data as required in respect of its compliance with any Cabinet Office Controls pipelines or required in order to meet any condition as set out in any settlement letter.

30.5. The appointment letter for the Shareholder Representative nominated NED (the "Shareholder NED") contains further provisions specifically on the sharing of confidential information between GPA and the Shareholder NED.

Audit

31. Internal audit

31.1. GPA shall:

- i. ensure that the sponsor department's internal audit team have complete access to all relevant records;
- ii. ensure that any arrangements for internal audit are in accordance with the *Public Sector Internal Audit Standards* (PSIAS) as adopted by HM Treasury (<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>);
- iii. set up an audit committee of its board in accordance with the Code of Good Practice for Corporate Governance and the *Audit and Risk Assurance Committee Handbook*;
- iv. ensure that its Audit & Risk Committee reviews GIAA findings and proposed management actions;
- v. forward the audit strategy, periodic audit plans and annual audit report, including the GIAA opinion on risk management, control and governance as soon as possible to the sponsor department;
- vi. keep records of and prepare and forward to the department an annual report on fraud and theft suffered by the GIAA and notify the sponsor department of any unusual or major incidents as soon as possible; and
- vii. share with the sponsor department information identified during the audit process and the Annual Audit Opinion 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 GPA.

32. External audit

32.1. The Comptroller & Auditor General (C&AG) audits GPA's annual accounts and lays them before parliament, together with his/her report.

32.2. The C&AG:

- will consult the department and GPA 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 GPA;
- 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 GPA; and

- will consider requests from departments and other relevant bodies to provide Regulatory Compliance Reports and other similar reports at the commencement of the audit. Consistent with the C&AG's independent status, the provision of such reports is entirely at the C&AG's discretion.

32.3. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which GPA 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, GPA 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.

Reviews and Winding up arrangements

33. Review of GPA's status

33.1. GPA will be reviewed every 3 years. The date of the next review will be in 2025.

34. Arrangements in the event that the ALB is wound up

34.1. The sponsor department shall put in place arrangements to ensure the orderly winding up of GPA. In particular it should ensure that the assets and liabilities of GPA 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 the sponsor department.) To this end, the department shall:

- i. have regard to Cabinet Office guidance on winding up of ALBs¹⁰
- ii. ensure that procedures are in place in GPA 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 GPA's assets and liabilities;
- iii. 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;
- iv. arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB AO should sign the closing accounts. In the event that the department inherits the role, responsibilities, assets and liabilities, the sponsor department's AO should sign.

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

¹⁰https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690952/Public_Bodies_-_a_guide_for_departments_-_chapter_10.pdf

Authorisation

This Framework Document has been drawn up by the Cabinet Office, UKGI and the GPA as a working understanding of the respective organisations' roles and responsibilities in the discharge of the GPA's objectives.

Signed by:



Mark Chivers
Director General Government Property
Cabinet Office

DATE: 11/11/2022



Charles Donald
Chief Executive Officer
UK Government Investments

DATE: 10/11/2022



Pat Ritchie
Chair
Government Property Agency

DATE.....

Appendices

Appendix A: Delegated authorities

Financial Tools

The following exceptions to the standard guidance are Financial Tools and have been agreed with HMT and Cabinet Office:

Charging Regime

- a. **Freehold Transfers.** When a freehold property is transferred to GPA, HMT will adjust baselines so that the transferring department's baseline covers GPA's property charges as for occupation of an equivalent leasehold property, and GPA's baseline is reduced to reflect the additional rental income.
- b. **PFI Transfers.** When a PFI is transferred to GPA, HMT will adjust baselines so that the transferring department's baseline covers GPA's property charges for occupation of an equivalent leasehold property. GPA's baseline covers central PFI costs and VAT.
- c. **Rent Premium.** When the occupying department wishes to take a term less than the head lease term, GPA can charge a rent premium for space in all properties whether leasehold, freehold or PFI.
- d. **Service Charge.** GPA can raise a simplified, equivalent service charge (per m²) rather than passing through individual service contract costs. Charges must be set regionally to avoid cross-subsidisation.
- e. **Fees.** GPA is allowed to charge fees to cover the cost of service provision.
- f. **Gainshare.** When GPA secures a saving for departments on lease re-gears and other one-off events, GPA can share gainshare with departments 50:50.

Revenue Programme

- a. **Single Revenue Programme.** All GPA RDEL will be treated as Admin. Unless otherwise specified, there will be no ringfences for particular programmes within GPA's RDEL budget.
- b. **RDEL to CDEL Switch.** GPA will be allowed to switch RDEL to CDEL with no limit. This will be agreed in annual Supplementary Estimates.
- c. **RDEL Carry Forward.** Cabinet Office must in all cases follow the rules set out in CBG on Budget Exchange and it is for the department to decide where underspends carried forward should be allocated.

Capital Programme

- a. **Single Capital Programme.** Unless specified otherwise in delegation letters, there will be no ringfences for particular programmes within GPA's CDEL budget.
- b. **Routing of Capital Programme Funding via GPA.** Rather than funding departments separately for the general purpose office estate, HMT will fund GPA directly for Hubs, Net Zero and Lifecycle Replacement. HMT may directly fund departments for specific projects which the GPA may agree to deliver on behalf of that department.
- c. **CDEL to RDEL Switch.** GPA is not allowed to switch CDEL to RDEL without agreement from the CST.
- d. **CDEL Carry Forward.** In addition to carrying forward on landlord incentives and capital income from disposals (see below), provided GPA's capital budget is at least £50 m for the year in question, GPA will normally be allowed to carry forward up to 20% of its capital programme in the year from which it is being carried forward, to align with delivery progress between fiscal events subject to HMT agreement. The GPA should make any application 6 weeks before the Supplementary Estimates.

Acquisitions & Disposals

- a. **Property Acquisition Risk.** For hubs approved as part of a programme business case, GPA is allowed to take risk on securing property with no fixed proportion of pre-lets to departments. However, each project business cases should expect to demonstrate the viability of the given location.
- b. **Freehold Purchase.** GPA is allowed to purchase a freehold when value for money is proven through a business case and the purchase is affordable and agreed with HMT.
- c. **Landlord Incentive Carry Forward.** HMT will allow GPA to carry forward CDEL landlord incentives until they are required, for a maximum of 3 years. This will be confirmed in annual Supplementary Estimates and will be in addition to any other CDEL carried forward.
- d. **Disposal Income.** HMT will set an annual GPA CDEL Income Limit in addition to landlord incentives, in the annual Cabinet Office delegation letter. Consistent with CBG, GPA will be allowed to retain and carry forward CDEL income, e.g. from freehold disposal, for reinvestment up to the agreed Income Limit. This carry forward will be confirmed in the annual Supplementary Estimates.

Other Financial Matters

Any further requirements for GPA to deviate from the MPM principles should be referred to HMT. The financial flexibilities provided to GPA will be under ongoing review and will be reassessed annually to ensure that they remain suitable for the purposes of GPA's activities.

Detailed guidance on financial and management procedures and processes will be set out in a series of Accounting and Management Notes to be issued by Cabinet Office from time to time. Where such notes are issued, GPA is required to comply with them in all respects. Further information on ALB's responsibilities for resource management and corporate governance are currently set out in an

annual letter from the Permanent Secretary to ALBs when formally delegating administration budgets.

All central government departments, agencies and Non-Departmental Public Bodies have to adhere to centrally set spending controls. These controls apply whether or not the proposal is subject to any other requirement for consent or approval or delegated authority (whether financial, procurement or other) under this framework document.

In addition, payments between GPA and other parts of Government, including Departments and ALBs, are within the scope of the Government's Prompt Payment Policy. Other parts of Government should include payments between themselves and GPA within their financial reporting.

Whilst the GPA Accounting Officer may exercise the full financial authority within the resources of the agency, certain constraints apply where approval will be required by the Cabinet Office and/or HM Treasury and/or Government Digital Service (for digital / technology expenditure):

- The financial authority delegated to the Cabinet Office by HM Treasury is £15m, and as such, for expenditure above £15m, the GPA is required to seek approval from HM Treasury.
- Any expenditure which is 'novel, contentious or could cause repercussions elsewhere in the public sector'. Such cases will be referred to the Cabinet Office Finance team and, where appropriate, approval sought from HM Treasury.
- Any expenditure covered by the Cabinet Office spending controls.

In addition to the above constraints, the GPA should maintain sound control over its expenditure that is in full compliance with the Cabinet Office internal approvals framework ensuring that all transactions have the appropriate level of approval prior to proceeding. The framework provides GPA with delegated authority up to certain limits to progress with individual transactions including commercial delegations for signing contracts and single tender agreements. The Accounting Officer delegates authority to designated budget holders for managing their budgets and adhering to GPA policy, the Cabinet Office spending controls and the principles of achieving value for money in line with HMT's Managing Public Money guidance. A register of internal delegations is maintained and is reviewed regularly for compliance.

GPA should ensure full compliance with CO and HMT spending controls, "Introducing Actions and Processes to secure the Benefits of Aggregation, Standardisation and Central Co-ordination of Efficiency and Reform related activity". This should include GPA promptly supporting transparency initiatives. Non-compliance could indicate a breach of spending limits, and could lead to regular inspection. Where irregular expenditure is identified, the National Audit Office will consider whether this leads to a need for the Controller and Auditor General to qualify his regularity opinion.

The Department, or HMT, may therefore from time to time issue additional spending controls, through Finance Director letters or other means. The Department will inform the GPA of any further controls as and when they are issued.

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

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

Appendix B: Description of the Role of the Shareholder Representative

The UKGI shareholder role consists of the following activities:

Establish and maintain appropriate and effective corporate governance foundations which govern the department-asset relationship

1. Work with Cabinet Office and GPA to establish and maintain appropriate corporate governance documents and systems, through up to date and fit for purpose governance documents, including Framework Document, board Terms of Reference where relevant and chair letter.

Promote effective objectives, business planning and performance against business plan

2. Assess and challenge GPA's business plan from an owner's perspective, advising the department and minister on the clarity of the objectives, the quality of the business plan and the financial, and where relevant commercial, strength underpinning it, and its effectiveness as a tool for GPA.
3. Monitor and challenge GPA and its board as to the performance against its business plan or equivalent document, in terms of how GPA is performing as an organisation (as opposed to monitoring the success of the policy delivery itself), and advise the minister accordingly.
4. If there is a Shareholder Representative NED on the board, challenge GPA's Business Cases, and other HMG approvals outside GPA's executive delegations, through that NED position on the GPA board only (this will be limited to the degree of challenge that any non-executive board member can provide. UKGI is not responsible for formally reviewing such business cases, providing advice to the department and ministers, or obtaining HMG approval for Business Cases, unless explicitly agreed otherwise).

Promote strong corporate capability

5. Through the UKGI shareholder team, as well as the UKGI shareholder representative on GPA's board, promote the strength of GPA's governance systems which support organisational performance, by providing high level challenge and support to GPA (and its board), and inform the department, on:
 - a. governance framework compliance – defined as GPA's view on its compliance with its governance framework (as set out in its Framework Document, delegated authorities, and any other specified governance documents), and
 - b. the adequacy and strength of GPA's reporting to the department on these issues.

Promote effective leadership (high quality boards and senior management)

6. Promote and advise the department on the effectiveness of GPA's leadership, specifically through:
 - a. promoting high quality and diverse boards, challenging the board's capability and effectiveness, and monitoring succession planning
 - b. advising the department and ministers on, and implementing, effective board composition, recruitment, remuneration and appointment processes
 - c. acting as the shareholder non-executive director on GPA's board
 - d. giving a view on GPA's board level executive capability in relation to its responsibilities, and remuneration

Promote effective relationships between Cabinet Office and GPA

7. Support effective relationships between Cabinet Office and GPA, including through:
 - a. UKGI building effective relationships with GPA's board and senior management
 - b. promoting effective interfaces and communications between the department and GPA, including through regular shareholder meetings
 - c. maintaining an effective regular meeting "rhythm" with the GPA Chair, board and executive to ensure appropriate flow of information (management information) between GPA, UKGI and Cabinet Office, including effective reporting to Cabinet Office

Supporting and supplementing the activities above by providing a Shareholder NED on GPA's board

8. Act as government shareholder representative on the GPA board, through:
 - a. providing an appropriately skilled board member to carry out the non-executive director role effectively, drawing on the support and analysis from the UKGI shareholder team
 - b. attending the GPA board committees as appropriate, but usually the Audit and Risk Committee and the Nominations and Remuneration Committee
 - c. acting as an interlocutor between the department and GPA's board, ensuring this is complementary to the role of the Chair
 - d. providing a view to the department on the strength of GPA's board

Appendix C: Applicable guidance documents and instructions

GPA shall comply with the following general guidance and instructions:

- this document;
- Property function standards
- GDS standards for all digital, data and technology developments/procurements
- Security standards set by GSG and cyber security measures comply with standards set by Cyber Security Centre and CPNI;
- 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
http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct_tcm6-38901.pdf
- Code of Practice for Ministerial Appointments to Public Bodies
<http://publicappointmentscommissioner.independent.gov.uk/wpcontent/uploads/2012/02/Code-of-Practice-2012.pdf>
- Managing Public Money (MPM);
- Consolidated Budgeting Guidance (CBG);
- Public Sector Internal Audit Standards,
<https://www.gov.uk/government/publications/public-sector-internal-auditstandards>;
- 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/20130129110402/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf.;
- Government Financial Reporting Manual (FRoM),
<https://www.gov.uk/government/publications/government-financial-reportingmanual>;
- 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,
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-publicservice/ombudsmansprinciples> ;
- 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)