



Department for
Business, Energy
& Industrial Strategy

Framework Document

Framework Document between the
Department for Business, Energy & Industrial
Strategy and the Civil Nuclear Police
Authority

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Introduction and background

1. Purpose of document

- 1.1. This Framework Document has been produced by the Department for Business, Energy and Industrial Strategy (BEIS), in consultation with the Civil Nuclear Police Authority (CNPA), in accordance with HM Treasury's handbook Managing Public Money¹ ("MPM") (as updated from time to time) and has been approved by HM Treasury.
- 1.2. This document sets out the broad governance framework within which the CNPA and BEIS operate. It sets out the CNPA's core responsibilities, describes the governance and accountability framework that applies between the roles of BEIS, CNPA and the Civil Nuclear Constabulary (CNC) and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.
- 1.3. The document is not intended to be legally binding but both parties agree to operate within its terms.
- 1.4. The documents referenced herein include:
 - a) All legal and regulatory requirements applicable to the CNPA and its subsidiary companies, including but not limited to the [Energy Act 2004](#) ("the Act") and any directions made under the Act;
 - b) CNPA Delegations (as set out in a separate Delegation Letter from BEIS, reviewed yearly and updated as deemed necessary) and CNPA Accounting Officer (AO) and annual Chair letters from BEIS to the CNPA;
 - c) Managing Public Money (MPM) and other relevant HM Treasury guidance, as may be amended from time to time; and
 - d) Other instructions issued to Government departments by the Cabinet Office and/or HM Treasury.
- 1.5. References to the CNPA include all its subsidiaries and joint ventures that are classified to the public sector and central government for national accounts purposes. If the CNPA establishes a subsidiary or joint venture, there shall be a document setting out the arrangements between it and the CNPA agreed with BEIS.
- 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 gov.uk.
- 1.7. This Framework document should be reviewed annually and updated at least every three years, unless there are exceptional reasons that render

¹ <https://www.gov.uk/government/publications/managing-public-money>

this document invalid 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 March 2025.

2. Objectives

- 2.1. BEIS and the CNPA share the common objective of ensuring the physical security of civil nuclear materials. To achieve this, BEIS and the CNPA will work together as a trusted partnership in recognition of each other's roles and areas of expertise.
- 2.2. Acronyms that are used throughout this document are listed in **Annex F**.

3. Classification

- 3.1. The CNPA has been classified as a central government organisation by the Office for National Statistics/HM Treasury Classifications team. It has been administratively classified by the Cabinet Office as a Non-Departmental Public Body.

Purpose, aims and duties

4. Purpose

- 4.1. The CNPA is a non-departmental public body (NDPB) of BEIS with headquarters located in Culham, Oxfordshire. It was created under the Act with the purpose of establishing and overseeing the CNC and ensuring both its efficiency and effectiveness. The primary function of the CNC, as set out under the Act, is to protect civil nuclear sites in Great Britain, and nuclear materials in transit. Together with the civil nuclear site operators and carriers, the CNPA therefore shares responsibility for the protection of nuclear material and facilities, and for the safe and secure movement of nuclear material within the UK and internationally.
- 4.2. The CNPA governs the CNC and employs its police officers and staff. It must ensure that the CNC's policing capability is aligned to international and domestic regulatory obligations required of civil nuclear operators, as well as with Government's strategic objectives for civil nuclear security. Furthermore, the CNPA should promote alignment with Government's ambitions, facilitating a secure, affordable and low carbon energy future.

5. Powers and duties

- 5.1. The **purpose and powers** of the CNPA as set out in the [Act](#) include:
- a) To allocate to the CNC, in addition to its primary function, the function of carrying on such other activities as the CNPA thinks fit relating to, or connected with, the security of nuclear material or sites where such material is being, has been, or is to be used, processed or stored.
 - b) To recover the full costs of the CNC incurred in guarding nuclear sites.
 - c) To borrow from the Secretary of State, with the approval of the Treasury, such sums in sterling as it may require for the carrying out of its functions (subject to a borrowing limit of £10 million). Requiring the correct financial approvals from BEIS and HMT.
 - d) To borrow temporarily by way of overdraft, with the approval of the Secretary of State and the Treasury, from persons other than the Secretary of State, such sums in sterling as it may require for meeting its obligations and carrying out its functions (subject to a borrowing limit of £10 million).
 - e) To appoint persons to be members of the CNC while noting that such members are employees of the CNPA and (apart from the Chief Constable) are under the direction and control of the Chief Constable.
 - f) To employ such persons as it may determine on such terms and conditions as it may determine; and to pay to, or in respect of, appropriate employees such pensions, allowances or gratuities as it may determine (subject in all cases to section 58 of the Act and relevant directions of the Secretary of State).
 - g) To appoint (with the approval of the Secretary of State) one or more Assistant Chief Constable(s) and to authorise an Assistant Chief Constable to perform a function of the Chief Constable while both the Chief Constable and the Deputy Chief Constable are unable to act or

unavailable, or while those offices are both vacant. To Temporarily appoint, where required (with the approval of the Secretary of State) one or more Assistant Chief Constable(s) and to authorise an Assistant Chief Constable to perform a function of the Chief Constable while both the Chief Constable and the Deputy Chief Constable are unable to act or unavailable, or while those offices are both vacant. The process of such appointments requires the sign off of the sponsorship department.

- h) To call on a senior officer - in the interests of efficiency or effectiveness - to retire or resign, with the approval of the Secretary of State.
- i) To suspend a senior officer from duty in the circumstances described in Schedule 11, paragraph 3(1) of the Act, when it considers that this is necessary to maintain public confidence in the CNC, and with the approval of the Secretary of State.
- j) To require a report from the Chief Constable on any operational matter and to arrange for the publication of any such report.
- k) To do anything which appears to it to be likely to facilitate the carrying out of its functions, or to be incidental to carrying them out, subject to the provisions of the Act.
- l) To make such arrangements as it thinks fit for regulating its own procedures.

5.2. Sections 51 to 71 and Schedules 10 to 14 to the [Act](#) outline the CNPA's statutory **duties and responsibilities** as follows:

- a) To appoint a Chief Constable, a Deputy Chief Constable and an Assistant Chief Constable of the Civil Nuclear Constabulary, subject to the approval of the Secretary of State.
- b) To comply with directions and matters required under statutory authority by the Secretary of State.
- c) To issue and publish an Annual Policing Plan before the beginning of each financial year, which must include objectives for that year; the priorities and performance targets for the year; the financial resources expected to be available and the proposed allocation of those resources.
- d) To issue and publish a three-year Strategic Plan, publishing it annually, setting out the CNPA's medium and long-term strategies for policing by the CNC during the three-year period beginning with that year.
- e) To issue and publish an Annual Report as soon as possible after the end of each financial year, relating to the policing carried out by the CNC, including an assessment of compliance with the Annual Policing Plan and three-year Strategy Plan, and submit it to the Secretary of State.
- f) To arrange for its accounts and statement of accounts to be audited by the Comptroller and Auditor General (C&AG). To send to the Secretary of State, in respect of each accounting year, a copy of the accounts for that year and the Comptroller and Auditor General's report on them.
- g) To consult the Chief Constable and the Civil Nuclear Police Federation (and, if appropriate, any rank-related Association) before making provision about the government, administration or conditions of service of the CNC or its members. Where it makes provision for matters which are subject to regulations under Section 50 of the Police Act 1996 (i.e. regulations about the government, administration and conditions of service of police forces), the provision made by the CNPA may differ from those regulations only in so far as is necessary to take account of differences reflecting the circumstances and structure of the CNC.

6. Aims

- 6.1. The CNPA's **goals**, as set out in its three-year strategy², are to:
- a) In partnership, continuously improve how it deters and responds to threats facing the civil nuclear sector
 - b) Build resilience and flexibility to navigate the changing face of civil nuclear energy
 - c) Improve effectiveness and efficiency of enabling services.
 - d) Maintain and develop an inclusive, forward-thinking and engaged workforce that is agile and dynamic.

7. Governance and accountability

- 7.1. The CNPA shall operate corporate governance arrangements that accord with good corporate governance practice and applicable regulatory requirements and expectations. These arrangements will be deployed as far as is practicable and in the light of the other provisions of this Framework Document, or as otherwise may be mutually agreed.
- 7.2. In particular (but without limitation), the CNPA should:
- a) Comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice (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;
 - b) comply with MPM
 - c) in line with MPM have regard to the relevant Functional Standards³ as appropriate and in particular those concerning Finance, Commercial and Counter Fraud
 - d) take into account, the codes of good practice and guidance set out in Annex E of this framework document, as they apply to ALBs
 - e) Approve CNC budgets, business cases and expenditure, providing challenge and assurance to ensure value for money.
 - f) Comply with Cabinet Office guidelines and processes.
- 7.3. In line with Managing Public Money (Annex E) the CNPA shall provide an account of corporate governance in its annual governance statement including the Authority's assessment of its compliance with the Code with explanations of any material departures. To the extent that the Company does intend to materially depart from the Code, the Sponsor should be notified in advance and their agreement sought to this approach.

Appointments to the Authority

- 7.4. The CNPA Chair and Authority members are appointed by the BEIS Secretary of State, with the Department taking responsibility for this process. Such appointments will comply with the Code of Practice of the

²https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1093574/CNC_Three-Year_Strategic_Plan_2022-25.pdf

³ <https://www.gov.uk/government/collections/functional-standards>

Office of the Commissioner on Public Appointments and reflect the three basic principles (Merit, Fairness and Openness).

Chairperson and independent non-executive Authority members

- 7.5. The Chairperson and independent non-executive members are subject to the Public Appointments Order in Council and as such must comply with the Governance Code on Public Appointments. A failure of the Secretary of State to appoint a Chair or any other defect in the appointment of a Member of the CNPA shall not affect the validity of its proceedings (Schedule 10, Part 2 of the Act).
- 7.6. The Chair and independent members may be reappointed by the Minister any number of times up to a maximum of 10 years of service (as set out in the OCPA Code of Practice). At least six months before the end of a member's term of office, a senior BEIS official should advise the responsible Minister of the member's suitability for reappointment at the request of the Chair of the CNPA. This allows sufficient time for a recruitment campaign to take place for a successor to take place should the Minister decide not to reappoint.
- 7.7. Any recommendation to reappoint or extend the terms of a member's contract must be made in accordance with the law relating to the particular public body. No reappointment or extension can be made without a satisfactory performance appraisal, evidence of which must be made available to the Commissioner on request.

Industry representatives

- 7.8. Four representatives of the nuclear industry (DSRL, EdF, NDA and Sellafield Ltd.) are members of the CNPA on an ex officio basis. These appointments are not regulated by OCPA.
- 7.9. Each of the four organisations, at the request of BEIS, will nominate a representative who will normally be a senior executive with responsibility for security. A senior BEIS official will then submit this name to the Minister for approval.
- 7.10. Ex officio members generally continue as members as long as they are in post, subject to satisfactory performance. They are appointed for fixed terms and reappointed as necessary. There is no 10-year limit on the length of tenure as there is for OCPA regulated appointments.
- 7.11. Every year, the Chair should conduct appraisals of ex officio members and review their performance against personally set objectives.

Deputy Chair and BEIS Representative

- 7.12. The Chair may nominate a Deputy Chair from the existing non-executive members of the Authority to provide cover in the event that the Chair is unable to fulfil their duties. The appointment of a Deputy Chair by the Chair is not subject to ministerial approval.

Diversity

- 7.13. 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 Authority which include a balance of skills and backgrounds.

Removal from Office

- 7.14. The Secretary of State may remove from office the Chair and any member (whether independent or industry ex officio) of the CNPA, providing any of the conditions set out in Schedule 10, Part 1, paragraph 2(6) of the Act are met. These conditions relate to bankruptcy, arrangements with creditors, conviction of an offence, absence from meetings of the CNPA, or any other reason which makes the member unfit for, or incapable of, continuing in office.
- 7.15. In practice, the Minister responsible for civil nuclear security would generally remove members on the advice of senior officials.

Role and responsibilities of the Department for Business Energy and Industrial Strategy

8. The responsible Minister

8.1. The Secretary of State for BEIS will account for the CNPA on all matters concerning the CNPA and CNC in Parliament. These include:

- a) Issuing directions to the CNPA in relation to the objectives and activities of the CNPA and the CNC and to the government, administration and conditions of service of the CNC and its employees (Schedule 13 of the Act).
- b) Issuing such other general or specific directions as the Secretary of State considers appropriate for securing the efficient and effective operation of the CNC (Schedule 13.2 (2) of the Act).
- c) Approving the policy and performance framework within which the CNPA will operate (as set out in this framework document, the Financial Responsibility and associate documents) and determining the financial duties of the CNPA.
- d) Giving directions requiring the CNPA to take steps to remedy a failure to meet an objective or to comply with a direction or any matter raised in a report prepared by Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS).
- e) Determining, with Treasury approval, financial duties of the CNPA and allocation of capital and resource expenditure as stipulated in the delegation letter.
- f) If content, approving the recommendations of the CNPA for the appointment of the CNC Chief Constable, Deputy Chief Constable and (any) Assistant Chief Constable(s), requiring the CNPA to take action to seek the resignation, retirement or suspension of the Chief Constable.
- g) Ensuring the laying of the Annual Report and Accounts and any report of the Comptroller and Auditor General (C&AG) before Parliament, and arranging for the publishing of annual reports and the publishing of ad hoc reports as required by the Secretary of State to be produced by the CNPA.
- h) Requiring the CNPA to submit a report on matters connected with the carrying out of its functions or policing by the CNC or requiring the Chief Constable to submit a report on matters connected with policing by the CNC as specified.

8.2. Through the exercise of these powers the Minister:

- a) Is responsible for the policy framework within which the CNPA operates;
- b) provides guidance and direction to ensure the strategic aims and objectives of the CNPA are consistent with those of the department and government;
- c) approves the CNPA's corporate plan and business plan;
- d) has a power of appointment in relation to the appointment of the CNPA Chair in line with the Governance Code on Public Appointments;

- e) matters regarding spending approvals, acquisitions, disposals, and joint ventures in line with delegations as set out in the delegation letter

Appointments to the Authority

- 8.3. The Minister shall have the following appointment and approval rights in relation to the Authority:
- The chairperson is appointed by the Secretary of State (Schedule 10 of the Act). This appointment is subject to the Public Appointments Order in Council and as such must comply with the Governance Code on Public Appointments.
 - Non-executive members are appointed by the Secretary of State (Schedule 10 of the Act). These appointments are subject to the Public Appointments Order in Council and as such must comply with the Governance Code on Public Appointments.
 - Industry representative members are appointed by the Secretary of State (Schedule 10 of the Act). These appointments are not subject to the Public Appointments Order in Council.

9. The Principal Accounting Officer

- 9.1. The Permanent Secretary, as the Department's principal accounting officer (PAO), is responsible for the overall organisation, management and staffing of the sponsor Department, and for ensuring that there is a high standard of financial management in the Department as a whole. The PAO of BEIS designates the Accounting Officer (AO) and ensures that they are fully aware of their responsibilities. The PAO issues a letter appointing the AO, setting out their responsibilities and delegated authorities.

PAO's specific accountabilities and responsibilities

- 9.2. The PAO is accountable to Parliament for the issue of any grant-in-aid to the CNPA and designates the Chief Constable as the Authority's accounting officer (AO). The PAO is also responsible, usually via the sponsorship team, for advising the Responsible Minister on:
- a) The Authority's strategic aims and objectives support the Department's wider strategic aims;
 - b) The financial and other management controls applied by the Department to the Authority are appropriate and sufficient to safeguard public funds and for ensuring that the Authority's compliance with those controls is effectively monitored;
 - c) The internal controls applied by the Authority conform to the requirements of regularity, propriety and good financial management;
 - d) How well the CNC is achieving its strategic objectives and whether it is delivering value for money;
 - e) The exercise of the Minister's statutory responsibilities for the CNC (as laid down in the Act).

- 9.3. The respective responsibilities of the PAO and AOs for ALBs are set out in Chapter 3 of MPM which is sent separately to the Authority Accounting Officer on appointment.
- 9.4. The PAO via the sponsorship team is also responsible for ensuring arrangements are in place in order to:
- a) monitor the CNPA's activities and performance
 - b) address significant problems in the CNPA, making such interventions as are judged necessary
 - c) 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 the CNPA's objectives and activities in line with the wider departmental risk assessment process
 - d) inform the CNPA of relevant government policy in a timely manner
 - e) bring ministerial or departmental concerns about the activities of the CNPA to the full (CNPA) board, and, as appropriate to the departmental Board, requiring explanations and assurances that appropriate action has been taken

10. The role of the sponsorship team

- 10.1. Officials within the Nuclear Protection Directorate shall have primary responsibility for overseeing the activities of the CNPA. The Sponsorship Team will sit beneath the Senior Sponsor, who will be the Director of Nuclear Protection. The Sponsorship Team's responsibility will be to support the Secretary of State and the BEIS Principal Accounting Officer in the discharge of their duties towards the CNPA, and to support the CNPA in the delivery of its mission. These responsibilities are carried out through the following means:
- 10.2. On performance and risk management, BEIS will:
- a) monitor the Authority's activities on a continuing basis through an adequate and timely flow of information from the Authority on performance, budgeting, control and risk management, including early sight of the Authority's Governance Statement
 - b) address any significant problems arising in the Authority, whether financial or otherwise, issuing directions as the Secretary of State judges necessary for securing the efficient and effective operation of the CNC
 - c) issue an annual Chair's letter detailing the BEIS strategic priorities for the financial year.
 - d) conduct an annual and mid-year review of the Chair's performance against agreed objectives.
 - e) attend and observe CNPA meetings
 - f) support and participate in a pipeline assurance group to facilitate overview of projects requiring HMG input, assurance and approvals (including but not limited to Cabinet Office Digital Spend Approvals)
 - g) review with the Authority financial performance with the main focus on BEIS funded activities. CNPA will support BEIS in doing this by providing financial information as per the agreed processes.

- h) conduct six-monthly reviews of the Authority's activities, this will be achieved through performance review meetings with the Chair.
- i) advocate for, and act as a critical friend to, the CNPA.

10.3. On strategic alignment, BEIS will:

- a) support the CNPA with the necessary guidance to align with government regulation and with government's standards for Arms-Length Bodies.
- b) ensure the CNPA is aligned with government's ambitions for energy, civil nuclear, and security. In support of this, provide the Chair with a letter at the beginning of each financial year, or a point otherwise agreed between the Chair and senior sponsor, outlining the strategic ambitions for civil nuclear security.
- c) advise the CNPA on wider government policy, functions and legislative changes that may impact them, and coordinate with the CNPA where necessary on matters of significance.
- d) recognise that, in times of incidents, either within the UK or internationally, emergency response procedures take precedence, with specific Plans designed to manage these situations.

10.4. On communication with the CNPA, BEIS will:

- a) Be observers at the Board and attend and contribute to Authority meetings where appropriate;
- b) Organise the Quarterly Sponsorship Meeting, to bring together BEIS, the CNPA and the CNC for open discussion of topical matters and policy alignment as well as promote information-sharing across all parties;
- c) Meet with the Chair, Chief Constable and, as appropriate, members of the CNPA and CNC on a regular basis for formal and informal discussions on corporate business and forward planning;
- d) inform the Authority of relevant government policy; advise on ministerial priorities; issue specific guidance to the Authority as necessary; and share the output of reviews and assessments;
- e) bring any concerns about the activities of the CNC to the attention of the CNPA via the Senior Sponsor and seek assurances from the CNPA that appropriate action and approvals have occurred;
- f) work with the Authority to the agreed procedure for Freedom of Information requests (FOIs); Parliamentary Questions (PQs) and any other requests for briefings for ministers or officials, or correspondence from the public or MPs that may arise.

10.5. On Capability Exit Payments, BEIS will:

- a) work with the Authority to respond to Capability Exit Business Cases from CNC Police officers and staff, recruited prior to 2011, seeking a contractual compensation payment where the employee exits CNC on capability grounds.

10.6. Officials of Sponsorship team in the sponsor department will liaise regularly with CNPA officials to review performance against plans, achievement against targets and expenditure against its DEL and AME allocations. The Sponsorship team will also take the opportunity to explain wider policy developments that might have an impact on the CNPA.

11. Resolution of disputes between the CNPA and BEIS

- 11.1. Any disputes between BEIS and the CNPA will be resolved in as timely a manner as possible. BEIS and the CNPA 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 will ask the relevant policy Director General to oversee the dispute. They 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 Secretary of State. In the event that the dispute cannot be resolved through this process both BEIS and the CNPA retain the right to determine the outcome in whatever forum is deemed appropriate by either party.

12. Freedom of Information requests

- 12.1. Where a request for information is received by either 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 party prior to any disclosure of information that may affect the other party's responsibilities.

13. Reporting on legal risk and litigation

- 13.1. The CNPA shall provide a quarterly update to the Sponsorship Team on the existence of any active litigation and reasonably anticipated litigation where notice has been given of an intention to submit a claim against the CNPA. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the Sponsorship Team in a timely manner.
- 13.2. Where active litigation is assessed by the CNPA as presenting a financial risk to the Sponsoring Department, material developments will be provided in an appropriate and timely manner. Circulation of legally privileged information will only occur where it is reasonably believed that there could be a financial risk to the Sponsoring Department.
- 13.3. Legally privileged documents and information will be clearly marked as such; and individual employees handling the legally privileged documents are familiar with principles to which they must adhere to protect legal privilege.
- 13.4. In respect of each substantial piece of litigation involving the CNPA, 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 to facilitate this.

Roles and responsibilities of the Civil Nuclear Constabulary

14. The Chief Constable

14.1. The mission statement of the CNC is as follows:

“Deter, defend, deny, recover – in partnership with the civil nuclear industry, national security agencies and regulatory bodies, the CNC will deter any attacker whose intent is the theft or sabotage of nuclear material, whether static or in transit, or the sabotage of high consequence facilities. If an attack occurs, CNC will defend that material and those facilities and deny access to them. If material is seized or high consequence facilities are compromised, the CNC will recover control of those facilities and regain custody of the material.”

Responsibilities of the CNC's Chief Constable

14.2. The Chief Constable of the CNC is appointed by the CNPA under section 53 of the Act with the approval of the BEIS Secretary of State. The Chief Constable is responsible for the operational delivery of the objectives set out by the CNPA in the three-year Strategy and annual Policing Plan, and for mitigating operational risks. The role of CNC Chief constable will also include the responsibility of the Accounting Officer for the Organisation, including the CNPA, recognising that the Post is the most senior employee, and that removal of senior officers is regulated by Schedule 11 to the Act.

Responsibility to the CNPA

14.3. The Chief Constable is responsible for provision and submission of a number of reports listed in the table below. The Chief Constable must also provide a report to the CNPA regarding the policing of the constabulary. These reports may be published in an appropriate manner by the CNPA.

Report	Cycle	Provide to	Sub to
Annual Policing Plan	Before the beginning of each financial year	CNPA	BEIS Sponsorship
Annual Report	At the end of each reporting year	CNPA	BEIS Sponsorship

Table 14.3

Responsibility to BEIS

14.4. The Chief Constable is responsible for providing the Secretary of State with reports on matters such as policing and carrying out functions of the Constabulary when requested. These reports may be published through the department of the person submitting them to arrange the publishing in an appropriate manner.

Managing Conflicts

14.5. The Chief Constable should follow the advice and direction of the Authority, except in very exceptional circumstances with a clear cut and transparent rationale for not doing so.

14.6. If the Authority, or its Chair, is contemplating a course of action involving a transaction which the Chief Constable considers:

- would infringe the requirements of propriety or regularity;
- would not represent prudent or economical administration, efficiency or effectiveness;
- is of questionable feasibility; or
- is unethical

The Chief Constable should reject that course of action and ensure that the Authority have a full opportunity to discuss the rationale for that rejection. Such conflicts should be brought to the attention of the Principal Accounting Officer and the Responsible Minister as soon as possible.

14.7. Furthermore, and if agreed with the responsible Minister, the Chief Constable must write a letter of justification to the Chair of the CNPA setting out the rationale for not following the advice and recommendation of the Authority and copy that letter to the Treasury Officer of Accounts. If the Responsible Minister agrees with the proposed course of action of the Authority it may be appropriate for the Minister to direct the Accounting Officer in the manner as set out in Managing Public Money paragraph 3.6.6 onwards.

Responsibilities of the CNPA Accounting Officer

14.8. The Chief Constable as CNPA AO 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 the Authority. In addition, they should ensure that the Authority 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 in the AO appointment letter issued by the PAO of the sponsor department.

AO Responsibilities for accounting to Parliament and the public

14.9. Responsibilities to Parliament and the public include:

- a) 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;
- b) 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;
- c) ensuring that effective procedures for handling complaints about the Authority in accordance with Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling are

- established and made widely known within the Authority and published on gov.uk;
- d) acting in accordance with the terms of MPM and other instructions and guidance issued from time to time by the department, the Treasury and the Cabinet Office;
 - e) ensuring that as part of the above compliance they are familiar with and act in accordance with:
 - I. any governing legislation
 - II. this framework document
 - III. any delegation letter issued to body as set out in paragraph 18
 - IV. any elements of any settlement letter issued to the sponsor department that is relevant to the operation of CNPA
 - V. any separate settlement letter that is issued to CNPA from the sponsor department
 - f) ensuring they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding compliance any conditions arising from the above documents;
 - g) giving evidence, normally with the PAO, when summoned before the PAC on the Authority's stewardship of public funds.

AO Responsibilities to the PAO

14.10. Responsibilities to PAO include:

- a) The AO will ensure that the PAO is assured on the discharge of their delegated accounting officer responsibilities, by providing a value-for-money assessment and assurance statement, approved by the CNPA, ahead of decisions which require BEIS or other HMG approval.
- b) The AO must bring to the attention of the PAO and minister(s) to whom they are responsible, any conflict between the minister's or CNPA's instructions and their duties. The AO must not simply accept the minister's or CNPA's aims or policy without examination.
- c) The AO should draw any issues in relation to significant policy proposals or plans to start or vary major projects to the attention of the PAO and responsible minister to see whether they can be resolved.
- d) If the responsible minister decides to continue with a course the AO has advised against, the AO should ask for a formal written direction to proceed. An oral direction should be confirmed in writing as soon as possible.
- e) The AO will promptly notify the PAO if the situation envisaged is contemplating a course of action involving a transaction which the AO considers:
 - I. Would infringe the requirements of propriety or regularity; or
 - II. Does not represent prudent or economical administration, efficiency or effectiveness; or
 - III. Is of questionable feasibility; or
 - IV. Is unethical.

AO Responsibilities to the Authority

14.11. The CNPA AO is responsible for:

- f) advising the Authority on the discharge of their responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time
- g) advising the Authority on the CNCs performance compared with its aims and objectives
- h) ensuring that financial considerations are taken fully into account by the Authority at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed
- i) taking action, as set out in Managing Public Money, if the Authority, or chair, is contemplating a course of action involving a transaction which the chief constable considers would infringe the requirements of propriety or regularity, or does not represent prudent or economical administration, efficiency or effectiveness, questionable feasibility, or is unethical.

AO Responsibilities to BEIS

14.12. Responsibilities to BEIS include:

- a) establishing, in agreement with the Department, the Authority's corporate and business plans in the light of the Department's wider strategic aims and objectives
- b) ensuring that forecasts and monitoring information on performance, policy, objectives and finance are provided to the Department; and that any significant problems whether financial or otherwise, are notified to the Department on or before the bi-monthly meeting
- c) ensuring that appropriate communications between the Authority and the Department are conducted in a timely manner

Senior Officers of the Civil Nuclear Constabulary

14.13. The CNC must have a Chief Constable, a Deputy Chief Constable and may have at least one Assistant Chief Constable. These senior officers are employees of the CNPA, in addition to being sworn-in constables. Appointments of these senior officers are made by the CNPA, with approval of the Secretary of State. Interim appointments for a duration longer than 12 months must also be approved by the Secretary of State. These appointments are not regulated by OCPA, although the recruitment processes for them should follow best practice, consistent with OCPA rules. Cabinet Office rules on appointments, including on pay maxima, must be followed.

14.14. The CNPA will follow best practice for public appointments. This will generally involve advertising in a newspaper, longlisting and shortlisting and may include retaining recruitment consultants. The CNPA will also carry out the appropriate government standard financial checks on all shortlisted candidates.

- 14.15. The Chair of the CNPA may invite an external person with expertise in security or policing to take part in the recruitment process. For the appointment of a Deputy Chief Constable or Assistant Chief Constable, the Chair of the CNPA may invite the Chief Constable to take part in the process. The Chief Constable must be consulted for any of these senior appointments.
- 14.16. At the end of the CNPA recruitment process, the panel will notify BEIS officials (Deputy Director level or above) of the name of the preferred candidate, together with supporting text setting out the CNPA panel's decision. The BEIS Sponsorship Team will advise the responsible Minister seeking formal approval in accordance with the Act. The Minister may wish to meet the preferred candidate.
- 14.17. The appointment will be made subject to security vetting being successfully completed. Any security vetting will be carried out after the appointment has been approved. The CNPA will issue a press notice once Ministerial approval is obtained endorsing the appointment and any required security vetting is complete.
- 14.18. Reappointments of senior officers must be approved by the Secretary of State.

Removal or Suspension of Senior Officers

- 14.19. Schedule 11 of the Act sets out the circumstances in which the CNPA may remove senior officers, or suspend them pending removal. The Schedule also sets out the powers of the Secretary of State to require the CNPA to remove the Chief Constable and to suspend him or her pending removal.

Other Senior employees of the CNPA

- 14.20. Other senior non-policing appointments or reappointments made by the CNPA do not require the approval of the Secretary of State.

Roles and responsibilities of the Civil Nuclear Policing Authority

15. The Authority

Composition of the Authority

- 15.1. CNPA will have a board (The Authority) in line with good standards of corporate governance and as set out in its establishing statute and in guidance as set out in Annex A. The role of the Board shall be to run the CNPA, 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).
- 15.2. The Act allows not fewer than seven and not more than thirteen members, including a Chair, who is a member of the Authority. A representative from BEIS may observe Authority meetings. The Chair has the ability to nominate a Deputy Chair from the existing non- executive members of the Authority to provide cover in the event that the Chair is unable to fulfil their duties. Any permanent cover will require Ministerial approval.
- 15.3. Four representatives of the nuclear industry (DSRL, EdF, NDA and Sellafield Ltd.) are members of the CNPA on an ex officio basis. Each of the four organisations, at the request of the Department, nominates a representative who will normally be a senior executive with responsibility for security.
- 15.4. Remaining members of the CNPA should have a balance of skills and experience appropriate to directing the CNPA's business, providing support and constructive challenge. The Authority should include a majority of independent non-executive members to ensure that executive members are supported and constructively challenged in their role.
- 15.5. The Authority will be quorate if five members including the Chair are present.
- 15.6. The Chief Financial Officer is a required attendee at Police Authority meetings and all key decision-making governance forums, to be able to provide the required financial advice.

Authority Sub-Committees

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

The Authority must set up an Audit, Risk and Finance Committee chaired by an appropriately qualified independent non-executive member to provide independent advice. The Authority is expected to assure itself of the effectiveness of the internal control and risk management systems.

- 15.8. While the Authority may make use of Sub-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 Authority for Sub-Committees to report on the nature and content of discussion, on recommendations, and on actions to be taken.
- 15.9. Where there is disagreement between the relevant Sub-Committee and the Authority, 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 Sub-Committee concerned should have the right to report the issue to the Sponsor Team, Principal Accounting Officer 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.
- 15.10. The Chair should ensure Authority Sub-Committees are properly structured with appropriate Terms of Reference. The Terms of each Sub-Committee should set out its responsibilities and the authority delegated to it by the Authority. The Chair should ensure that Sub-Committee membership is periodically refreshed and that individual independent Non-Executive Directors are not over-burdened, when deciding the Chairs and membership of Sub-Committees.

Duties of the Authority

- 15.11. The statutory duties of the CNPA are set out in section 5.1. The administrative responsibilities of the CNPA are as follows:
- establishing and taking forward the strategic aims and objectives of the CNC, consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State;
 - providing effective leadership of the CNC within a framework of prudent and effective controls which enables risk to be assessed and managed;
 - reviewing management performance;
 - ensuring that the Authority receives and reviews regular financial and management information concerning the management of the CNC;
 - ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of the CNPA 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 PAO 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 Authority operates within the limits of its statutory authority and any delegated authority agreed with the

sponsor department, and in accordance with any other conditions relating to the use of public funds;

- 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
 - any elements of any settlement letter issued to the sponsor department that is relevant to the operation of the CNPA
 - any separate settlement letter that is issued to the CNPA from the sponsor department
- demonstrating high standards of corporate governance at all times, including by using the independent audit committee to help the Authority to address key financial and other risks.
- formulating the Authority's strategy

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

15.13. The Authority should make a strategic choice about the style, shape and quality of risk management and should lead the assessment and management of opportunity and risk. The Authority 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)⁴.

16. The Chair's role and responsibilities

16.1. 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 their contract of employment/appointment letter, the priorities in the chair's letter issued to them by the sponsor team.

16.2. Communications between the CNPA and the responsible Minister should normally be through the Chair.

16.3. The chair is bound by the Code of Conduct for Board Members of Public Bodies⁵, which covers conduct in the role and includes the Nolan Principles of Public Life⁶.

⁴ <https://www.gov.uk/government/publications/orange-book>

⁵ <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>

⁶ <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

- 16.4. In addition, the Chair is responsible for:
- ensuring - including by monitoring and engaging with appropriate governance arrangements - that the CNC / CNPA affairs are conducted with probity
 - ensuring that policies and actions support BEIS's wider strategic policies and where appropriate, these policies and actions should be clearly communicated and disseminated throughout the CNC.
- 16.5. The Chair has the following leadership responsibilities:
- ensuring that the Authority, in reaching decisions, takes proper account of guidance provided by the responsible Minister or the department
 - promoting the efficient and effective use of staff and other resources
 - delivering high standards of regularity and propriety
 - representing the views of the Authority to the general public
- 16.6. The Chair also has an obligation to ensure that:
- the work of the Authority and its members are reviewed and are working effectively including ongoing assessment of the performance of individual Authority members with a formal annual evaluation and more in-depth assessments of the performance of individual Authority members when being considered for re-appointment
 - that in conducting assessments that the view of relevant stakeholders including employees and the sponsorship team are sought and considered
 - Authority members are fully briefed on terms of appointment, duties, rights and responsibilities
 - there is a Board Operating Framework in place setting out the role and responsibilities of the Authority 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

17. Individual Authority members' responsibilities

- 17.1. Individual Authority 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 appropriate⁷
- 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 Authority's rules on the acceptance of gifts and hospitality, and of business appointments
- act in good faith and in the best interests of the CNC
- ensure 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

⁷ <https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-neds>

Management, financial responsibilities and controls

18. Delegated authorities

- 18.1. The CNPA's delegated authorities are set out in the delegation letter (Annex C). 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 MPM Annex 2.2 these delegations will be reviewed on an annual basis.
- 18.3. Notwithstanding these delegations, certain categories of spending override any delegated authority and must always be submitted to the Department for approval. These are proposals which:
 - a) Could create pressures leading to a breach in Departmental Expenditure Limits, administration costs limits, or Estimates provision.
 - b) Would entail contractual commitments to significant levels of spending in future years for which plans have not been set.
 - c) Could set a potentially expensive precedent
 - d) Could cause significant repercussions for others.
 - e) Are novel or contentious.
 - f) Are matters as set out in the Act, or any Protocol, or Memorandum of Agreement/Understanding, or other document and which are reserved for BEIS.
 - g) Enter into specific commitments and obligations outside of the delegations set out in this Section.
 - h) Are matters which formally commit a Minister or the Government to action
 - i) Are matters in which Ministers have declared an interest.
 - j) Are matters which will involve Ministers or the Department in their presentation and/or on which Ministers are likely to be questioned in Parliament
 - k) Are proposals to be implemented through Public/Private Partnership or Private Finance Initiative (PPP/PFI).
 - l) Are matters where action is being taken against the CNPA in the civil or criminal courts.
- 18.4. In addition:
 - a) The CNPA will act at all times within the rules of "Managing Public Money"
 - b) The CNPA will abide by the terms of any specific agreements reached with Treasury Ministers or officials during Spending Review discussions or otherwise

- c) If a project falls under more than one category of delegation, the lower delegated limit will apply.

Providing Monitoring Information to the Department

18.5. In circumstances where the Department has provided grant-in-aid or guarantees to the CNPA, the CNPA shall provide the Department with financial information on a regular basis, including details of over or underspends and application of grant income, which will enable the satisfactory monitoring by the Department of the budget position of the CNPA. In all other circumstances, the CNPA shall provide the Department with information as detailed below:

- a) Annual budget statement
- b) Annual Report and Accounts
- c) Reports as set out in the Framework Document which will provide the Department with reassurance that the CNPA will meet its gross running cost budget and the agreed Resource and Capital DEL provision.

19. Banking and managing cash

- 19.1. The CNPA must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking).
- 19.2. The CNPA 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.
- 19.3. Commercial accounts where approved should be operated in line with the principles as set out in MPM.
- 19.4. The AO is responsible for ensuring CNPA has a banking policy as set out in MPM and ensuring that policy is complied with.

20. Spending authority

- 20.1. Once the CNPA's budget has been approved and, subject to any restrictions imposed by statute, the responsible Minister's instructions, this document, HM Treasury settlement letters, or delegation letters, the CNPA shall have authority to incur expenditure approved in the budget without further reference to the Department, on the following conditions:
 - a) The CNPA shall comply with the conditions set out regarding novel, contentious or repercussive proposals;

- b) The CNPA shall provide the Department with such information about its operations, performance on individual projects or other expenditure as the Department may reasonably require.
 - c) The CNPA shall comply with all the delegations in this Framework Document and Financial Responsibility and with any other delegations that may apply from time to time.
- 20.2. Inclusion of any planned and approved expenditure in CNPA's budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside approved limits or delegations.

21. Procurement

- 21.1. All capital expenditure contracts that are quoted between £25,000 and £500,000 will be approved by the CNPA. Capital Expenditure proposals over the value of £500,000 will require the clearance of BEIS via the Sponsorship Team and Finance Business Partner through the approval of a business case. Pathways for approval below and above the threshold are laid out in Annex B.
- 21.2. The CNPA 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.
- 21.3. In procurement cases where CNPA 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 department.
- 21.5. Procurement by CNPA 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. CNPA shall comply with the commercial and grants standards. 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. The CNC 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 (the Orange Book)⁸.

23. Counter fraud and theft

- 23.1. CNC should adopt and implement policies and practices to safeguard itself against fraud and theft.
- 23.2. CNC should act in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set out in Managing Public Money Annex 4.9 and the Counter Fraud Functional Standard⁹. 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.
- 23.3. CNC should keep records of and prepare and forward to the department an annual report on fraud and theft suffered by CNC and notify the sponsor department of any unusual or major incidents as soon as possible. CNC should also report detected 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.

24. CNPA Staff

Broad responsibilities for staff

- 24.1. Within the arrangements approved by the responsible Minister the CNPA 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 CNPA and CNC 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 CNPA's objectives
 - proper consultation with staff takes place on key issues affecting them
 - adequate grievance and disciplinary procedures are in place

⁸ <https://www.gov.uk/government/publications/orange-book>

⁹ <https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>

- 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 Bodies¹⁰.

Staff costs

- 24.2. Subject to its delegated authorities, the CNPA 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. The CNPA Executive and police 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. The CNPA has no delegated power to amend these terms and conditions.
- 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 Code¹¹ and the annual Civil Service Pay Remit Guidance, except where prior approval has been given by the department and the Treasury 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. The CNPA shall abide by public sector pay controls, including the relevant approvals process dependent on the organisations classification as detailed in the Senior Pay Guidance¹² and the Public Sector Pay and Terms Guidance¹³.
- 24.7. The CNPA shall operate a performance-related pay scheme that shall form part of the general pay structure approved by the department and the Treasury, where relevant with due regard to the Senior Pay Guidance.
- 24.8. The travel expenses of Authority members shall be tied to the rates allowed to senior staff of the CNPA. Reasonable actual costs shall be reimbursed.

¹⁰https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf

¹¹ <https://www.gov.uk/government/publications/civil-servants-terms-and-conditions>

¹² <https://www.gov.uk/government/publications/senior-civil-service-pay-and-reward>

¹³ <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>

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. CNPA staff shall normally be eligible for a pension provided by the Combined Pension Scheme of the UK Atomic Energy Authority, though this is due to transition to the Alpha scheme under the Public Sector Pensions Act 2013. Staff may opt out of the occupational pension scheme provided by the CNPA, but that employers' contribution to any personal pension arrangement, including stakeholder pension, shall normally be limited to the national insurance rebate level.
- 24.11. Any proposal by the CNPA 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 MPM.

Business plans, financial reporting and management information

25. Corporate and business plans

- 25.1. As required by the Act, before the beginning of the relevant financial year, the CNPA shall prepare a three-year Strategy setting out the medium- and long-term policing priorities for the Constabulary. The plan shall reflect the CNPA's statutory duties and, within those duties, the priorities set from time to time by the responsible minister.
- 25.2. The Strategy should be sent to the Minister at BEIS by early April and an 'unrestricted' version placed on the CNPA website. As a minimum, the Plan should set out the strategic context in which the CNPA operates, its activities, its ambition and mission, objectives and key risks. The Strategy will also be supported by a robust Medium-Term Financial Plan (MTFP) that will set out the funding requirements and efficiency plans to support the delivery of the strategy.
- 25.3. The first year of the Strategy shall form that year's annual Policing Plan. The Policing Plan shall be updated annually to include objectives, priorities, and performance targets. The following key matters should be included in the Policing Plan:
- a) key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives
 - b) key non-financial performance targets
 - c) a review of performance in the preceding financial year, together with comparable outturns for the previous two years, and an estimate of performance in the current year
 - d) alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast
 - e) other matters as agreed between the Department and the CNPA

26. Budgeting procedures

- 26.1. Each year the Authority shall set an annual budget as part of its Policing Plan, based on the requirements of the Energy Act and taking into account any specific directions issued by the Department.
- 26.2. Unless the Department agrees otherwise in advance and in writing, the Authority's budget will be set to achieve zero Net Resource DEL (i.e. expenditure will balance income) and a Capital DEL provision for major purchases over £500k agreed with the Department.
- 26.3. Where Departmental funding has been agreed, then the budget will contain a profile of expected expenditure and draw-down of any

Departmental funding over the year. These elements will form part of the approved budget for the year in question. The approved annual Policing Plan will take account of approved funding provision, where this has been agreed, and will include a profile of expected expenditure and of draw-down of any departmental funding as outlined in the delegated authority letter from BEIS and/or other income over the year. Further detail on budgets and financial management is set out in Annex B.

27. Budgeting Procedures

Setting the Annual Budget

- 27.1. CNPA will follow the guidance set out in Government Functional Standards and G006 in particular. CNPA will follow best practice and produce a three year medium term financial plan (MTFP), that supports the delivery of the Strategic Plan. The MTFP will be refreshed each March following agreement on the in- year budget.
- 27.2. Each year, the CNPA shall set an annual budget that supports the delivery of the Strategic Plan and the Annual Policing Plan, taking into account any specific directions issued by the Department, and provide a statement of such a budget to the Department. The Department shall send the CNPA each year a statement of any planned change in policies affecting the CNPA.
- 27.3. Unless the Department agrees otherwise in advance and in writing, the CNPA's budget will be set to achieve zero Net Resource DEL (or CNPA equivalent) (i.e. expenditure will balance income) and a Capital DEL provision agreed with the Department, over the medium term financial period.
- 27.4. Where Departmental funding has been agreed, then the budget will contain a profile of expected expenditure and draw-down of any Departmental funding over the medium term. These elements will form part of the approved budget for the medium term period in question. If in any year the CNPA is unable to agree an annual balanced budget, subject to the ability to build a contingency reserve, the Department will set a budget for that year following consultation with the CNPA and the Chief Executive and Chief Constable. The Department will use best endeavours to set a budget within four weeks of the date that it is been advised that no budget has been agreed.
- 27.5. Any grant-in-aid provided by the Department for the year in question will be voted in the Department's Estimate and will be subject to Parliamentary control.

28. Grant-in-aid and any ring-fenced grants

- 28.1. Any grant-in-aid provided by the Department for the year in question will be voted in the Department's Supply Estimate and be subject to Parliamentary control. The grant-in-aid will normally be paid in monthly instalments on the

basis of written applications showing evidence of need. The CNPA will comply with the general principle that there is no payment in advance of need.

- 28.2. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of the CNPA. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at the year-end, the department will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.

29. Annual report and accounts

- 29.1. The CNPA must publish an annual report of its activities together with its audited accounts after the end of each financial year. The CNPA shall provide the department its finalised (audited) accounts by 31 March each year in order for the accounts to be consolidated within BEIS's accounts. A draft of the report should be submitted to the department four 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).
- 29.2. The annual report must:
- a) cover any corporate, subsidiary or joint ventures under its control
 - b) comply with the FReM and in particular have regard to the illustrative statements for an NDPB¹⁴
 - c) outline main activities and performance during the previous financial year and set out in summary form forward plans.
- 29.3. Information on performance against key financial targets is included within the annual report and subject to the auditor's consistency opinion. The report and accounts shall be laid in Parliament and made available on the CNPA's website, in accordance with the guidance in the FReM.

30. Reporting performance to the department

- 30.1. The CNPA 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 Strategy and Policing Plan.
- 30.2. The CNPA shall inform 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

¹⁴ <https://www.gov.uk/government/collections/government-financial-reporting-manual-frem>

Ministers' policies, and the achievement of key objectives regularly. This includes an annual letter the CNPA chair will write to the department setting out priorities for the year ahead and reporting on delivery against the three-year strategy.

- 30.3. The CNPA's performance shall be formally reviewed by the department twice a year, reviewing the Authority's performance against the 3 Year Strategy and Annual Policing Plan. The delegated Senior Civil Servant (Director General) will meet the Chair once a year. The Principal Accounting officer will also meet the Accounting Officer at least once a year.

31. Information sharing

- 31.1. The department has the right of access to all CNPA records and personnel for any purpose including, for example, sponsorship audits and operational investigations. The department and HM Treasury may request the sharing of data held by the CNPA 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. BEIS and the CNPA will enter into an information sharing agreement to facilitate any such disclosure.
- 31.2. The CNPA shall provide the sponsor department with such information about its operations, performance, individual projects or other expenditure as the sponsor department may reasonably require. As a minimum, the CNPA shall provide the department with information monthly that will enable the department satisfactorily to monitor:
- a) the CNPA's cash management;
 - b) its draw-down of grant-in-aid;
 - c) forecast outturn by resource headings;
 - d) other data required for the Online System for Central Accounting and Reporting (OSCAR).
 - e) 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.
- 31.3. In support of the BEIS Principal Accounting Officer, the Sponsorship Team shall work with the CNPA to the agreed procedure for Freedom of Information requests (FOIs); Parliamentary Questions (PQs) and any other requests for briefings for Ministers or officials, or correspondence from the public or MPs that may arise.

Audit

32. Internal audit

- 32.1. The CNPA shall:
- a) establish an Audit Risk and Finance Committee to be chaired by a non-executive member in accordance with the Code of Good

Practice for Corporate Governance and the Audit and Risk Assurance Committee Handbook.

- b) establish and maintain arrangements for internal audit and ensure that any arrangements for internal audit are in accordance with the Public Sector Internal Audit Standards (PSIAS) as adopted by HM Treasury¹⁵.
- c) ensure the sponsor department is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with PSIAS.
- d) forward the audit strategy, periodic audit plans and annual audit report, including the Authority Head of Internal Audit opinion on risk management, control and governance to the Department.
- e) keep records of, and prepare and forward to the Department an annual report on fraud and theft suffered by the Authority and notify the Department of any unusual or major incidents.

33. External audit

- 33.1. The Comptroller & Auditor General (C&AG) will audit the CNPA's annual accounts and lay them before parliament, together with the C&AG's report on those accounts.
- 33.2. In the event that the CNPA has set up and controls subsidiary companies, the CNPA will, in the light of the provisions in the Companies Act 2006, ensure that the C&AG has the option to be appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. The CNPA shall discuss with the sponsor department the procedures for appointing the C&AG as auditor of the companies.
- 33.3. The C&AG:
 - a) will consult the department and the CNPA 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;
 - b) 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 CNPA;
 - c) 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 CNPA;
 - d) will consider requests from departments and other relevant bodies to provide Regulatory Compliance Reports and other similar reports

¹⁵ <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

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;

- 33.4. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the CNPA 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 CNPA 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

34. Review of the CNPA's status

- 34.1. The CNPA will be reviewed as part of the wider Public Bodies Reviews programme, at a time determined by the department's ministers and their PAO.

35. Arrangements in the event that the CNPA is wound up

- 35.1. The sponsor department shall put in place arrangements to ensure the orderly winding up of the CNPA. In particular it should ensure that the assets and liabilities of the CNPA 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.)
- 35.2. To this end, the department shall:
- have regard to Cabinet Office guidance on winding up of ALBs¹⁶
 - ensure that procedures are in place in the CNPA 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 CNPA'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 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.
- 35.3. The CNPA shall provide the department with full details of all agreements where the CNPA or its successors have a right to share in the

¹⁶https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690952/Public_Bodies_-_a_guide_for_departments_-_chapter_10.pdf

financial gains of developers. It should also pass to the department details of any other forms of claw-back due to the CNPA.

Annex A: Guidance

The CNPA shall comply with the following guidance, documents and instructions:

Corporate governance

- This framework document
- Corporate Governance Code for Central Government Departments (relevant to Arm's Length Bodies) and supporting guidance:
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>
- Code of conduct for Board members of Public Bodies:
<https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>
- Code of practice for partnerships between Departments and Arm's Length Bodies: <https://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice#:~:text=This%20code%20of%20good%20practice,partnership%20approach%20to%20shaping%20relationships>.

Financial management and reporting

- Managing Public Money (MPM):
<https://www.gov.uk/government/publications/managing-public-money>
- Government Financial Reporting Manual (FReM):
www.gov.uk/government/collections/government-financial-reporting-manual-frem
- Relevant Dear Accounting Officer (DAO) letters:
www.gov.uk/government/collections/dao-letters
- Relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts:
<https://www.gov.uk/government/collections/whole-of-government-accounts>
- The most recent letter setting out the delegated authorities, issued by the parent department.

Management of risk

- Management of Risk: www.gov.uk/government/publications/orange-book and <https://www.gov.uk/government/publications/management-of-risk-in-government-framework>

- Public Sector Internal Audit Standards:
www.gov.uk/government/publications/public-sector-internal-audit-standards
- HM Treasury approval processes for Major Projects above delegated limits:
<https://www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects>
- The Government cyber-security strategy and cyber security guidance:
<https://www.gov.uk/government/publications/national-cyber-strategy-2022/national-cyber-security-strategy-2022> and
<https://www.gov.uk/government/collections/cyber-security-guidance-for-business>

Commercial management

- Procurement Policy Notes:
<https://www.gov.uk/government/collections/procurement-policy-notes>
- Cabinet Office spending controls:
<https://www.gov.uk/government/collections/cabinet-office-controls>
- Transparency in supply chains - a practical guide:
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040283/Transparency in Supply Chains A Practical Guide 2017 final.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040283/Transparency_in_Supply_Chains_A_Practical_Guide_2017_final.pdf)

Public appointments

- Guidance from the Commissioner for Public Appointments:
<https://publicappointmentscommissioner.independent.gov.uk/>
- Governance Code on Public Appointments:
www.gov.uk/government/publications/governance-code-for-public-appointments
- Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees:
<https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees>

Staff and remuneration

- HM Treasury guidance on senior pay and reward:
www.gov.uk/government/publications/senior-civil-service-pay-and-reward
- Civil Service pay guidance (updated annually):
www.gov.uk/government/collections/civil-service-pay-guidance

- Public sector pay and terms:
<https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>
- Whistleblowing Guidance and Code of Practice:
<https://www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers>
- The Equalities Act 2010: www.gov.uk/guidance/equality-act-2010-guidance

General

- Freedom of Information Act guidance and instructions:
www.legislation.gov.uk/ukpga/2000/36/contents and <https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration: <https://www.ombudsman.org.uk/about-us/our-principles>
- Other relevant instructions and guidance issued by the central Departments (Cabinet Office and HM Treasury)
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and are relevant to the CNPA.
- Guidance from the Public Bodies team in Cabinet Office:
www.gov.uk/government/publications/public-bodies-information-and-guidance
- The Civil Service diversity and inclusion strategy (outlines the ambition, to which Arm's Length Bodies can contribute):
<https://www.gov.uk/government/publications/civil-service-diversity-and-inclusion-strategy-2022-to-2025>
- Guidance produced by the Infrastructure and Projects Authority (IPA) on management of major projects:
www.gov.uk/government/organisations/infrastructure-and-projects-authority
- The Government Digital Service:
www.gov.uk/government/organisations/government-digital-service
- The Government Fraud, Error, Debt and Grant Efficiency function;
www.gov.uk/government/collections/fraud-error-debt-and-grants-function and www.gov.uk/government/publications/grants-standards
- Code of Practice for Official Statistics:
<https://code.statisticsauthority.gov.uk/#:~:text=The%20Code%20of%20Practic>

[e%20for%20Statistics%20sets%20the,produced%20by%20people%20and%20organisations%20that%20are%20trustworthy.](#)

- Accounting Officer System Statements (AOSS are produced by departments with input from ALBs): www.gov.uk/government/publications/accounting-officer-system-statements

Annex B: Management and Financial Responsibility

36. Introduction

- 36.1. This annex forms part of the Framework Document between BEIS and the CNPA and sets out in detail certain aspects of the financial framework within which the CNPA is required to operate.
- 36.2. The terms and conditions set out in the Framework Document may be supplemented by guidelines or directions issued by the Secretary of State in respect of the exercise of any individual functions, powers and duties of the CNPA.
- 36.3. The CNPA shall satisfy the conditions and requirements set out in the combined document, together with such other conditions as the Secretary of State may from time to time impose.

Expenditure not proposed in the Resource Budget agreed with BEIS

- 36.4. The CNPA will usually expect to recover its full operating costs each year. The CNPA will not be set a gross expenditure limit, although an indicative figure will be notified to the Department and agreed for the Department's budgeting purposes. The CNPA will notify the Department if the figure appears likely to change.
- 36.5. The CNPA shall not, without prior discussion with the Department, enter into any undertaking to incur any expenditure which falls outside the CNPA's delegated limits, provision of policing services, categories and types of expenditure or which compromises its ability to recover all of its costs. This is to ensure that the Secretary of State can, if necessary, exercise the power in Section 60 of the Energy Act to determine the charges payable by those in receipt of statutory services.

Timeliness in Paying Bills

- 36.6. The CNPA shall collect receipts and pay all matured and properly authorised invoices in accordance with the terms of contracts or within 30 days, as provided for in 'Managing Public Money'. The CNPA shall comply with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890), and with the Late Payment of Commercial Debts (Interest) Act 1998, as amended.
- 36.7. The CNPA may obtain funds from the following sources:
- Fees charged to those organisations provided with statutory services, (both core and other policing services)
 - Other receipts (including the disposal of certain assets)
 - Grants from the Department
 - Borrowing.

Fees and Charges

- 36.8. The CNPA's primary source of funding will be through charges on nuclear operators who require the Constabulary's services in order to

implement security arrangements required by the Nuclear Industries Security Regulations (2003) and covered by S60 of the Energy Act (2004). Fees may also be based on agreements with the Home Office or Home Office Police services for the provision of appropriate policing or police training services.

- 36.9. Fees or charges for any services supplied by the CNPA (both core services and for wider Policing) shall be determined in accordance with the Treasury's Fees and Charges Guide contained with Managing Public Money, and with the Freedom of Information Act 2000, where a charge is made for the provision of Information under the Act.

Receipts from Sale of Goods or Services

- 36.10. Receipts from the sale of goods and services, rent of land and dividends are classified as negative public expenditure in national accounts and are therefore normally offset against the DEL (i.e. they provide additional DEL or equivalent spending power).
- 36.11. If there is any doubt about the correct classification of a receipt, the CNPA shall consult the Department, who will consult the Treasury as necessary.

Fines, Taxes and other Receipts

- 36.12. Most fines and most taxes (including levies and some licences) are not negative public expenditure and do not provide additional DEL spending power. Such receipts shall either be surrendered to the Department or, if retained, shall either reduce the need for grant-in-aid or, if used to finance additional expenditure by the CNPA, shall require additional DEL cover from the Department.

Interest Earned

- 36.13. In accordance with the Treasury's Consolidated Budgeting Guidance any interest receipts on most DEL-financed assets score as resource DEL as the cost of capital charge on the assets.
- 36.14. If the receipts are used to finance additional expenditure by the CNPA, the Department will need to ensure it has the necessary DEL cover. Any interest earned on cash balances shall be treated as a receipt from an Exchequer source. Depending on the budgeting treatment of this receipt, and its impact on the CNPA's cash requirement, commensurate reduction of grant may be required to be surrendered to the Consolidated Fund via the Department.

Un-forecast Changes in In-Year Income

- 36.15. If the negative DEL (or CNPA equivalent) income realised or expected to be realised in-year is less than estimated, the CNPA shall, unless otherwise agreed with the Department, ensure a corresponding reduction in its gross expenditure so that the authorised provision is not exceeded.
- 36.16. In exceptional circumstances where Grant-in-Aid is provided, if the negative income realised or expected to be realised in the year is more than estimated, the CNPA may apply to the Department to retain the excess income for specified additional expenditure within the current financial year

without an offsetting reduction to grant-in-aid. The Department shall consider such applications, taking account of competing demands for resources. If an application is refused, any grant-in-aid shall be commensurately reduced, or the excess receipts shall be required to be surrendered to BEIS to surrender to the Consolidated Fund. (These arrangements are subject to the provisions set out under the heading Disposal of Assets below).

Build-up and Draw-down of Deposits

36.17. The CNPA shall comply with the rules that any DEL expenditure financed by the draw-down of deposits counts within DEL and that the build-up of deposits may represent a saving to DEL (if the related receipts are negative DEL in the relevant budgets). The CNPA shall ensure that it has the necessary DEL provision for any expenditure financed by draw-down of deposits.

Proceeds from Disposal of Assets

36.18. Disposals of land and buildings are dealt with in paragraph 64. Proceeds from the sale of other capital assets (such as vehicles) are covered in paragraphs 77-80.

Gifts and Bequests Received

36.19. The CNPA is free to retain any gifts, bequests or similar donations. These shall be treated as receipts. Before proceeding in this way, the CNPA shall consider if there are any associated costs in doing so or any conflicts of interests arising. The CNPA shall keep a written record of any such gifts, bequests and donations and of their estimated value and whether they are disposed of or retained, in accordance with Managing public money (MPM Annex 4.11).

Borrowing

36.20. Borrowing by the CNPA is subject to the provisions of Part 4 of Schedule 10 of the Energy Act. The CNPA shall also observe the rules set out in 'Managing Public Money' when undertaking borrowing of any kind. The CNPA shall seek the approval of the Department to ensure that it has any necessary authority and budgetary cover for any borrowing or the expenditure financed by such borrowing. Medium or long term private sector or foreign borrowing is not permitted.

36.21. The CNPA may borrow from the Secretary of State, and with the consent of the Secretary of State, by way of CDEL that will then be repaid to BEIS via charges to the CNPA customer base.

Reserves

36.22. The CNPA shall not maintain a reserve other than that required to meet its immediate business requirements. It will adjust its income recovery during the course of the year to achieve the zero Net Resource DEL (or CNPA equivalent) position and to reflect the realisation of any contingencies provided for in the annual policing plan and three-year strategy plan.

Capital expenditure

- 36.23. Subject to being above the CNPA's capitalisation threshold, all expenditure on the acquisition or creation of fixed assets shall be capitalised on an accruals basis.
- 36.24. Capital expenditure will be treated as follows:
- a) All large-scale individual capital projects of above £500k that require funding support from BEIS and/or HMT will be subject to Full Business case approval from the CNPA, BEIS and HMT
 - b) Capital expenditure that is over £500k on a single item type and for multiple SLCs but is supported/ funded by the SLCs will be subject to Full Business case approval from the CNPA, BEIS and HMT
 - c) Operational capital expenditure that is under £500k on a single item type and/or for a single SLCs but is supported/ funded by the SLCs will be subject approval from the CNPA.
 - d) Operational Fleet Expenditure – This is agreed with each SLC and therefore the £500k limit is based on each individual SLCs requirement for directly provided fleet, plus contribution to overall corporate fleet allocations.
- 36.25. Where the capital is provided as part of a wider SLC project, this will be approved by the SLC Partner via their appropriate governance routes.

Transfer of Funds within Budgets

- 36.26. Unless financial provision is subject to specific Departmental or Treasury controls (e.g. where provision is ring-fenced for specific purposes), transfers between budgets within the total capital budget, or between budgets within the total revenue budget, do not need Departmental approval.

Lending, Guarantees, Indemnities; Contingent Liabilities; Letters of Comfort

- 36.27. The CNPA shall not, without the Department's prior written consent, lend money, charge any asset or security, give any guarantee or indemnities or letters of comfort or incur any other contingent liability (as defined in in 'Managing Public Money' whether or not in a legally binding form. The CNPA will notify BEIS of all contingent liabilities as soon as they materialise.

Grant or Loan Schemes

- 36.28. Unless covered by a delegated authority, all proposals to make a grant or loan to a third party, whether one-off or under a scheme, shall be subject to prior approval by the Department, together with the terms and conditions under which such grant or loan is made. If grants or loans are to be made under a continuing scheme, statutory authority is likely to be required.
- 36.29. The terms and conditions shall include a requirement on the receiving organisation to prepare accounts and to ensure that its books and records in relation to the grant or loan are readily available for inspection by the CNPA, the Department and the C&AG.

- 36.30. See also below under the heading Recovery of grant-financed assets.

Gifts Made, Write-offs, Losses and other Special Payments

- 36.31. Gifts by management to staff must comply with the requirements of the Cabinet Office guidance on non-pay rewards.
- 36.32. CNPA has no delegated authority for write-offs, or to make special payments or to approve other losses outside of delegation group 1 in Managing Public Money, Annex 4.10 . All such cases above £25K should be referred to BEIS for approval.

Leasing

- 36.33. Prior Departmental approval must be given for all finance leases. The CNPA must have capital DEL provision for finance leases and other transactions which are in substance borrowing. Before entering into any lease (including an operating lease), the CNPA shall demonstrate that the lease offers better value for money than purchase.

CNPA Estate

- 36.34. The CNPA must have an Estates Strategy. This should include a section justifying value-for-money derived from those properties retained for occupational purposes, any properties held for investment purposes and the management process for both. This should be reviewed every three years. A copy of the CNPA's Estate Strategy must be sent to the BEIS Sponsorship team following each review.
- 36.35. Prior Departmental approval must be secured for all property proposals exceeding 1000 sq. m. of the CNPA's total estate and not located on licensed nuclear sites. The delegation applies to new properties; lease renewals/extensions and the exercising of break clauses. Unless otherwise agreed, all property leases outside delegation must be approved by BEIS. Proposals must be supported by a business case and, in relevant circumstances, a Gateway Review.
- 36.36. Before entering into any lease, the CNPA shall demonstrate that the lease offers better value for money than purchase.
- 36.37. All property disposals, rent reviews, lease renewals and acquisitions must be carried out in co-ordination with the Government Procurement Service. The estate should be managed in accordance with all good Government practice.

Public/Private Partnerships

- 36.38. If the CNPA seeks opportunities to enter into Public/Private Partnerships where this would be more affordable and offer better value-for-money than conventional procurement; where cash flow projections may result in delegated spending authority being breached; or where the whole life discounted cost could exceed £2,500,000; the CNPA shall first consult BEIS before proceeding and to arrange any process required.
- 36.39. Any partnership controlled by the CNPA shall be treated as part of the CNPA in accordance with FReM and consolidated with it subject to any particular treatment required by FReM. Where the judgment over the level of control is a close one, the Department will consult the Treasury (who may

need to consult with the Office of National Statistics over national accounts treatment).

Subsidiary Companies and Joint Ventures

- 36.40. The CNPA shall not establish subsidiary companies or joint ventures without the express approval of the Department. In judging such proposals, the Department will have regard to the Department's wider strategic aims and objectives.
- 36.41. Any subsidiary company or joint venture controlled or owned by the CNPA shall be consolidated with it in accordance with FReM for public expenditure accounts purposes, subject to any particular treatment required by FReM. Where the judgment over the level of control is a close one, the Department will consult the Treasury (who may need to consult with the Office of National Statistics over national accounts treatment). Unless specifically agreed with the Department and the Treasury, such subsidiary companies or joint ventures shall be subject to the controls and requirements set out in this Framework Document and Financial Responsibility, and to the further provisions set out in supporting documentation.

Financial investments

- 36.42. The CNPA shall not make any investments in traded financial instruments, nor shall it aim to build up cash balances or net assets in excess of what is required for operational purposes. Equity shares in ventures which further the objectives of the CNPA shall equally be subject to Departmental approval, unless covered by a specific delegation

Unconventional financing

- 36.43. Unless otherwise agreed with the Department, the CNPA shall not enter into any unconventional financing arrangement.

Commercial Insurance

- 36.44. The CNPA may take out or continue to take out:
- a) Third party insurance required by the Road Traffic Acts and any other insurance which is a statutory obligation or which is permitted in in 'Managing Public Money'
- 36.45. The CNPA will review its insurance arrangements annually to ensure the arrangements continue to offer value for money. The results of these reviews will be made available to BEIS on request.
- 36.46. The CNPA will be expected to cover any third party losses from its own budget but, in exceptional circumstances, the Department may be required to consider providing additional budget to cover the losses. Each incidence will be considered entirely on its merits.

Management and Disposal of Fixed Assets

Register of assets

36.47. The CNPA shall maintain an accurate and up-to-date register of its fixed assets.

Disposal of assets

36.48. The CNPA shall dispose of assets which are surplus to its requirements. Assets shall be sold for best price, taking into account any costs of sale. High value assets shall be sold by auction or competitive tender, and in accordance with Managing Public Money, Box A.4.8D.

36.49. The CNPA may normally retain receipts derived from the sale of assets below £100k provided that:

- a) The Department is notified in advance of any planned disposal of assets, and;
- b) The Department and the Treasury are content for the CNPA to retain these receipts and it is in accordance with the provisions set out in the Cabinet Office Controls Guidance, and;
- c) They are used to finance other capital spending.

36.50. If, notwithstanding the above, the CNPA disposes of assets which have been purchased, improved or developed with Exchequer funds and the receipts amount to more than £1 million, or, where the disposal has unusual features of which Parliament should be aware, then Parliamentary approval shall be secured for the receipts to be reinvested. The receipts shall therefore be surrendered to the Department, which shall then submit an Estimate seeking approval for the receipts to be appropriated in aid by the Department and for a corresponding increase in the CNPA's grant in aid. If the proposed new investment is novel or contentious, the Department's and the Treasury's approval will be needed.

36.51. If the criteria are not met, any receipts shall be dealt with in line with the rules on surplus in-year receipts.

Recovery of Grant-financed Assets

36.52. Where the CNPA has financed expenditure on capital assets by a third party, the CNPA shall make appropriate arrangements to ensure that any such assets are not disposed of by the third party without the CNPA's prior consent

36.53. The CNPA shall therefore ensure that such conditions are sufficient to secure the repayment of the Exchequer's due share of the proceeds of the sale, in order that funds may be surrendered to the Department.

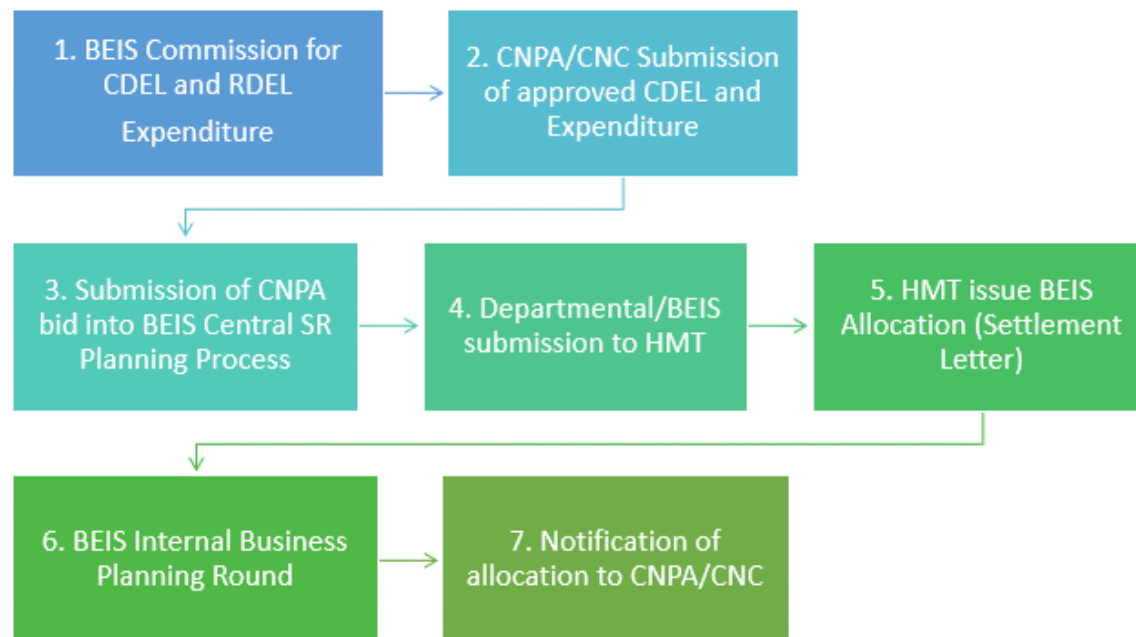
Review of Financial Responsibilities

36.54. This Financial Responsibility will normally be reviewed at least every five years or following a review of the CNPA's functions as provided for in

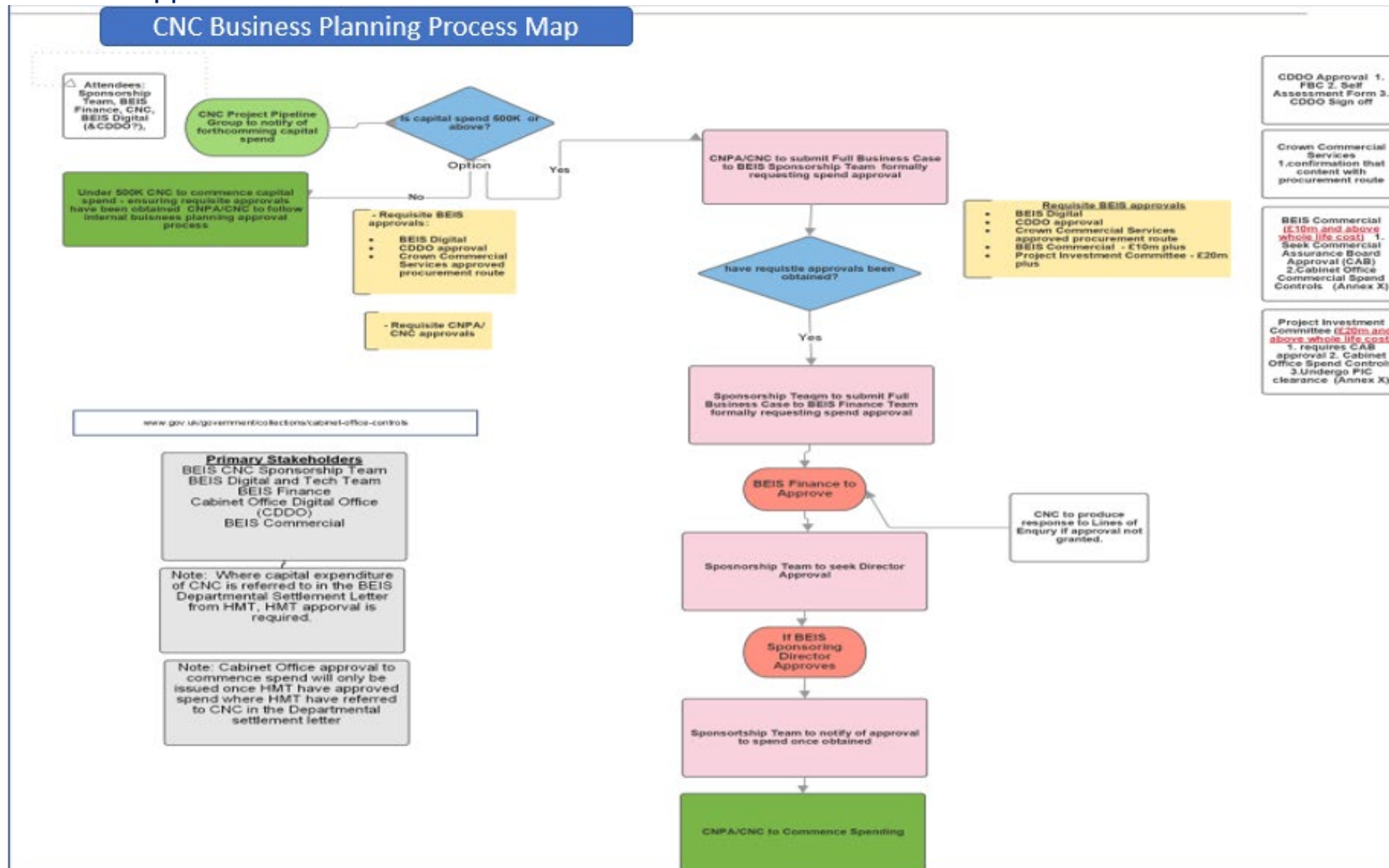
the Framework Document at paragraph 2.6. The Treasury will be consulted on any significant variation proposed to this financial Responsibility and the associated management statement.

Annex C: Financial Approvals and Pathways

Spending Review/Business Planning Process



BEIS/CNPA Approvals Process



Annex D: Cabinet Office Controls and Approvals

There are a range of Cabinet Office Controls and approvals governing commercial and procurement process across Government which Departments and ALBs are required to follow.

The Cabinet Office spend controls help organisations to reduce unnecessary spend and encourage cross-government collaboration, and include:

- Digital and Technology spend controls
- Commercial approvals
- Facilities and Estates approvals

www.gov.uk/government/collections/cabinet-office-controls

Annex E: Acronyms

Acronym	Explanation
ALB	Arm's length body
AO	Accounting Officer
BEIS	Department for Business, Energy and Industrial Strategy
CNC	Civil Nuclear Constabulary
CNPA	Civil Nuclear Police Authority
MPM	Managing Public Money
NDPB	Non-departmental public body
PAO	Principle Accounting Officer
The Act	The Energy Act 2004