



Department for Levelling Up,
Housing & Communities



Homes
England

Homes England framework document

April 2023

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Introduction and background

1. Purpose of document

- 1.1. Homes England is the trading name for the Homes and Communities Agency, a non-departmental public body (NDPB) and statutory corporation created by the Housing and Regeneration Act 2008 (as amended from time to time) (“the Act”). It is the responsibility of, and sponsored by, the Department for Levelling Up, Housing and Communities (the “Department” or “DLUHC”).
- 1.2. This framework document (the “framework document”) has been drawn up by the Department in consultation with Homes England; and agreed in accordance with HM Treasury’s handbook Managing Public Money (“MPM”) (as updated from time to time); and has been approved by HM Treasury.
- 1.3. This framework document sets out the broad governance framework within which the Department and Homes England operate. It sets out Homes England’s core responsibilities; describes the governance and accountability framework that applies between the roles of the Department and Homes England; and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters. It is without prejudice to the Act.
- 1.4. The framework document does not convey any legal powers or responsibilities but both parties agree to operate within its terms. References to Homes England (where context permits) include all its subsidiaries and joint ventures that are classified to the public sector and central government for national accounts purposes. If Homes England establishes a subsidiary or joint venture, the Department’s consent is required under section 29 of the Act. Where Homes England has established a subsidiary or joint venture, details will be provided of the arrangements to be put in place between Homes England, the Department and the subsidiary or joint venture to ensure compliance with MPM requirements. For each such subsidiary and joint venture, Homes England will provide to the Department (and if requested by the Department, to HM Treasury) a written confirmation that the arrangements for such subsidiary and joint venture are consistent with the terms of the Department’s consent and with the approved business case. Homes England will also provide the Department with a written summary of the arrangements entered into, including the shareholder protections benefiting Homes England and explaining how these will operate (e.g., matters and decisions reserved to the Homes England Board).
- 1.5. 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 <https://www.gov.uk/government/organisations/homes-england>.
- 1.6. This framework document will be reviewed and updated at least every three years unless there are exceptional reasons that render this inappropriate that have been agreed with HM Treasury and the Principal Accounting Officer of the Department. The latest date for review and updating of this document is three years from the date of publication.

2. Objectives

- 2.1. Homes England was created to deliver the objects set out in section 2 of the Act (“the Statutory Objects”). These are:

- a) to improve the supply and quality of housing in England;
- b) to secure the regeneration or development of land or infrastructure in England;
- c) to support in other ways the creation, regeneration or development of communities in England or their continued well-being and
- d) to contribute to the achievement of sustainable development and good design in England, with a view to meeting the needs of people living in England.

- 2.2 The Department and Homes England share the common objective of driving regeneration and housing delivery to create high-quality homes and thriving places. This will support greater social justice, the levelling up of communities across England and the creation of places people are proud to call home.
- 2.3 To achieve this, the Department and Homes England will work together in a relationship of interdependence and in recognition of each other's roles and areas of expertise. The relationship will be underpinned by clear ownership and accountabilities; agreed priorities to achieve Homes England's objectives, the strategic aims of the Department and wider government as a whole; and strong governance and assurance processes.
- 2.4 The Department will champion Homes England across government, local government and with its partners, helping to ensure it builds the right relationships and connections to allow it to deliver its mission and objectives effectively and efficiently.

3. Classification

- 3.1. Homes England has been classified as a central government organisation by the HM Treasury Classifications team.
- 3.2. It has been administratively classified by the Cabinet Office as a non-departmental public body.
- 3.3. Homes England is not a servant or agent of the Crown, it does not enjoy any status, immunity or privilege of the Crown. Its property is not to be regarded as property of, or held for or on behalf of, the Crown.

Purposes, aims and duties

4. Purposes

- 4.1. Homes England was established under the Act.
- 4.2. Homes England's functions are exercisable only in relation to England, not the other parts of the United Kingdom. Under the Act, England excludes the Greater London area. Homes England may only exercise functions in Greater London where it does so on behalf of the Mayor of London, in which case the Mayor will formally delegate the relevant functions to Homes England under their own statutory powers of delegation (currently section 38 of the Greater London Authority Act 1999).

5. Powers and duties

- 5.1. Homes England's powers and functions are set out in Part 1 of the Act. There is a general power enabling Homes England to do anything it considers appropriate for the purposes of its Statutory Objects or for purposes incidental to those purposes. There are also more specific powers, such as powers to buy, lease and sell land, the power to make grants and loans and the power to regenerate or develop land, or facilitate the development and regeneration of land or the more effective use of land. Homes England's powers are exercisable only in furtherance of the Statutory Objects.

6. Aims

- 6.1. Homes England's ambition is to work in collaboration with equally ambitious partners to deliver the homes and places that our communities need, and to support the renewal and regeneration of our towns, cities and rural communities.
- 6.2. To support the delivery of the Statutory Objects and the Government's housing priorities, a mission and set of strategic objectives (the "Strategic Objectives") have been adopted for Homes England. Homes England will work to deliver the Strategic Objectives.
- 6.3. The Secretary of State has agreed with Homes England the following Strategic Objectives for Homes England in fulfilment of its Statutory Objects.
- 6.4. The mission of Homes England is to drive regeneration and housing delivery to create high-quality homes and thriving places. This will support greater social justice, the levelling up of communities across England and the creation of places people are proud to call home.
- 6.5. Homes England's Strategic Objectives are to:
 - support the creation of vibrant and successful places that people can be proud of, working with local leaders and other partners to deliver housing-led, mixed-use regeneration with a brownfield first approach;
 - facilitate the creation of the homes people need, intervening where necessary to ensure places have enough homes of the right type and tenure;

- build a housing and regeneration sector that works for everyone, driving diversification, partnership working, and innovation;
- promote the creation of high-quality homes in well-designed places that reflect community priorities by taking an inclusive and long-term approach; and
- enable sustainable homes and places, maximising their positive contribution to the natural environment and minimising their environmental impact.

6.6. These Strategic Objectives were approved by the Secretary of State in April 2023 (and may be amended, updated or replaced from time to time).

Governance and accountability

7. Governance and accountability

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

7.2. In particular (but without limitation), Homes England will:

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

7.3. In line with Annex 3.1 of MPM, Homes England will provide an account of corporate governance in its annual governance statement, including the Board's assessment of its compliance with the Code of Good Practice and explanation of any material departures. To the extent that Homes England does intend materially to depart from the Code, the Department will be notified in advance and its agreement sought to the departure.

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

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

Role of the department

8. The Secretary of State

- 8.1. The Secretary of State for Levelling Up, Housing and Communities (the “Secretary of State”) is accountable to Parliament for all matters concerning Homes England. Where necessary, the Secretary of State may delegate responsibilities to other minister(s) within the Department.
- 8.2. The Ministers’ statutory powers in respect of Homes England are set out in Part I and the Schedules of the Act.
- 8.3. The Secretary of State’s powers include: powers over Homes England’s use of land (e.g., authorising compulsory purchases, disposal of land that has been compulsorily purchased, and less than best consideration disposals) and transfers of land to Homes England from other public bodies; powers to designate Homes England as a local planning authority for specific areas; powers to provide financial support (e.g. grant payments, loans and guarantees) to and set borrowing limits for Homes England; powers to direct the use of surplus Homes England funds; powers to appoint Homes England as its agent in respect of regeneration, development and derelict land; powers to require Homes England to provide information and accounts; powers to give guidance and directions to Homes England as to the exercise of any of its functions; powers in relation to members and staff of Homes England (e.g. appointment, removal, remuneration); and powers to in respect of rights of way and undertakings over Homes England land.

Appointments to the Board

- 8.4. The Chair and non-executive Members are appointed by the Secretary of State under Schedule 1 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 Appointments³.
- 8.5. All such appointments will have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint boards which include a balance of skills and backgrounds.
- 8.6. The Secretary of State will determine, on advice from the Department’s Homes England Sponsorship Team (“the Sponsorship team”), the levels of remuneration and allowances to be paid by Homes England. Non-executive board members’ reasonable actual travel and subsistence costs will be reimbursed by Homes England.
- 8.7. The Chief Executive of Homes England will be appointed by the Homes England Board under Schedule 1 of the Act. The Board may only appoint a person(s) who has been approved by the Secretary of State. This appointment is subject to the Public Appointments Order in Council in force at the time of the commencement of the appointments process and as such must comply with the Governance Code for Public Appointments.

³ <https://publicappointments.cabinetoffice.gov.uk/wp-content/uploads/2019/11/Public-Appointments-No.-2-Order-in-Council-2019.pdf>; <https://www.gov.uk/government/publications/governance-code-for-public-appointments>

8.8. The Secretary of State may appoint a senior UK government official as the Department’s “Shareholder Director” on the Board. The member is a non-executive member. The Department will consult the Chair prior to the appointment being made.

Other Ministerial powers and responsibilities

8.9. The Secretary of State is also responsible for:

- the policy framework within which Homes England operates;
- setting the performance framework within which Homes England will operate including approving Homes England’s strategy and annual business plan;
- matters regarding spending approvals, acquisitions, disposals, and joint ventures in line with delegations as set out in the delegation letter; and
- such other matters as may be appropriate and proportionate.

9. The Principal Accounting Officer

9.1. The Principal Accounting Officer (PAO) is the Permanent Secretary of the Department. The PAO is responsible for the overall operation and oversight of Homes England. Where necessary, the PAO may delegate responsibilities to the Senior Sponsor and the Sponsorship team.

DLUHC’s accounting officer specific accountabilities and responsibilities as PAO

9.2. The PAO designates the Chief Executive as Homes England’s Accounting Officer (AO) and ensures that they are fully aware of their responsibilities. On the date of the Chief Executive’s appointment, the PAO issues a letter appointing the AO, setting out their responsibilities and delegated authorities.

9.3. The respective responsibilities of the PAO and AOs for ALBs are set out in Chapter 3 of MPM.

9.4. The PAO is accountable to Parliament for the issue of any grant-in-aid to Homes England.

9.5. The PAO will meet quarterly with the AO to assess Homes England’s performance, and to discuss strategic issues and risks.

9.6. The PAO, via the Sponsorship team, is also responsible for advising the Secretary of State on:

- an appropriate framework of strategic objectives and targets for Homes England in light of the Department’s wider strategic aims and priorities;
- an appropriate budget for Homes England in light of the Department’s overall public expenditure priorities;
- how well Homes England is achieving its strategic objectives and whether it is delivering value for money; and
- the exercise of the Secretary of State’s statutory responsibilities concerning Homes England as outlined above.

9.7. The PAO, via the Sponsorship team, is also responsible for ensuring arrangements are in place in order to:

- monitor Homes England’s activities and performance;

- address significant problems in Homes England, making such interventions as are judged necessary;
- periodically and at such frequency as is proportionate to the level of risk, carry out an assessment of the risks both to the Department and Homes England’s objectives and activities in line with the wider departmental risk assessment process;
- inform Homes England of relevant government policy in a timely manner;
- bring ministerial or departmental concerns about the activities of Homes England to the full Homes England Board, and, as appropriate to the Department’s Board, requiring explanations and assurances that appropriate action has been taken; and
- undertake the annual performance review of the Homes England Chair.

10. Sponsorship of Homes England

10.1. The Department is solely responsible for the sponsorship of Homes England.⁴ From within the Department, the PAO may appoint a senior sponsor (“the Senior Sponsor”) to oversee the sponsorship of Homes England and the discharge of the PAO’s responsibilities towards Homes England.

10.2. The Senior Sponsor is the primary contact for Homes England.

Responsibilities of the Senior Sponsor

10.3. The PAO may delegate responsibility for overall management of the Department’s relationship with Homes England and oversight of its performance to the Senior Sponsor (where appointed). Where operational activity falls outside of the Senior Sponsor’s departmental role, the Senior Sponsor remains responsible for the overall relationship with Homes England and oversight of performance in the that area.

10.4. The PAO and Senior Sponsor are the main sources of advice to the Secretary of State on the discharge of their responsibilities in respect of Homes England. The Senior Sponsor also supports the PAO in the discharge of their responsibilities towards Homes England.

10.5. The Senior Sponsor is specifically responsible for:

- bringing together insight from within the Department, including from the Shareholder Director and Policy Sponsor, to review and confirm the whole picture of Homes England’s overall organisational performance;
- overseeing Homes England’s risk management on behalf of the Department;
- providing assurance to the PAO with regard to the overall organisational performance of Homes England (including MPM requirements);
- providing regular feedback on the Department’s view of the whole picture of Homes England’s organisational performance to the Chair and Chief Executive, and sharing the departmental context and forward looks;

⁴ For the avoidance of doubt, activities delivered by Homes England for other Government departments are detailed in customer-type agreements between Homes England and those departments. No other department undertakes Homes England sponsorship.

- acting as the joint champion of the Policy Delivery Partnership with the Chief Executive, assessing its overall strength, and supporting the Department to be a more intelligent client;
- feeding organisational learning from Homes England into the Department and more broadly as appropriate; and
- inputting into the Chief Executive’s performance appraisal (including providing assurance regarding MPM requirements).

10.6. The Senior Sponsor is supported by the Shareholder Director and the Policy Sponsor to ensure that the mission and strategic objectives of Homes England are consistent with those of the Department and wider government.

Responsibilities of the Shareholder Director

10.7. The Senior Sponsor delegates oversight of corporate sponsorship to the Shareholder Director. The role of the Shareholder Director is to ensure aligned corporate sponsorship of Homes England by the Department.

10.8. The Shareholder Director is accountable to the Senior Sponsor for:

- sitting on the Homes England Board in order to represent the Department’s interest in the effective management and performance of Homes England with particular focus on:
 - performance against organisational objectives and organisational effectiveness, including measurement against a suite of corporate health indicators;
 - developing and maintaining effective governance, assurance and change control mechanisms within Homes England, including a joined-up approach to the management of risk; and
 - oversight of the AO’s execution of their accountabilities (including ongoing assurance related to MPM).
- providing strategic context from the Department to Board discussions;
- ensuring a focus on Board effectiveness and development, including the independent appraisal of Board members with support of the Senior Independent Director; and
- managing the Department’s corporate sponsorship relationship with Homes England including: holding Homes England to account for its corporate and governance performance; ensuring that Homes England assets and liabilities are managed efficiently and effectively; and providing assurance that Homes England performance is compliant with the Department’s spending plans, risk management, and overall financial and ALB frameworks.

Responsibilities of the Policy Sponsor

10.9. The Senior Sponsor delegates oversight of policy sponsorship and delivery at portfolio level to the Policy Sponsor. The role of the Policy Sponsor is to ensure that the right policy outcomes are being achieved and to provide assurance to the Shareholder meeting, Senior Sponsor and Ministers about programme and portfolio delivery.

10.10. The Policy Sponsor chairs the Policy Sponsor Meeting which scrutinises: overall financial and delivery performance; seeks collaborative and effective solutions to delivery issues; and assesses the overall health and effectiveness of the Policy Delivery Partnership.

10.11. The Policy Sponsor is accountable to the Senior Sponsor for:

- leading an integrated approach within the Department to the development and agreement of a five-year strategic plan which provides Homes England with a single, unified vision and commission, and clearly sets it up to achieve the long-term, sustainable delivery of policy outcomes and agreed spend objectives;
- leading an integrated approach within the Department to the development and agreement of an annual business plan for Homes England which provides a single, unified framework of annual priorities, including a clear set of activities, milestones and metrics to track progress in-year;
- setting clear accountabilities across the Department and Homes England to ensure expertise on deliverability is included at the heart of policy making and programme development;
- ensuring a sustained focus on the achievement of policy outcomes in a broader government context is maintained during delivery;
- ensuring delivery commissioning documents are agreed at the point of transition from programme/place design to delivery;
- providing oversight and assurance of the delivery of the overall priorities and objectives agreed in the annual business plan including engagement with departmental policy owners to understand and escalate delivery issues as necessary;
- providing oversight and assurance of the complete programme/place delivery picture, risks and opportunities;
- providing oversight and corporate learning regarding programme/place effectiveness;
- building, monitoring and sustaining the health of a policy delivery partnership alongside Homes England; and
- undertaking horizon scanning and long-term strategic planning to identify possible opportunities or future commissions for Homes England.

11. The role of the Sponsorship team

11.1. The PAO, Senior Sponsor, Shareholder Director and the Policy Sponsor are supported by the Sponsorship team in delivering their responsibilities in relation to Homes England.

11.2. The Sponsorship team is responsible to the Senior Sponsor for liaising with Homes England on all aspects of its work and are the first and primary working-level point of contact between the Department and Homes England.

11.3. The Sponsorship team manages the commissioning of programmes to Homes England on behalf of the Department and acts as Homes England's advocate in discussions across government more widely, including on Homes England's business cases (and related matters).

11.4. Supporting the Shareholder Director, the Sponsorship team manages the Department's corporate relationship with Homes England including: holding Homes England to account for its corporate and governance performance; ensuring that Homes England assets and liabilities are managed efficiently and effectively; and providing assurance to Ministers, the PAO and the Senior Sponsor that Homes England performance is compliant with the Department's spending plans, risk management, and overall

financial and ALB frameworks. The Sponsorship team acts as the secretariat for sponsorship governance meetings.

- 11.5. The Sponsorship team supports the Senior Sponsor and Policy Sponsor to hold Homes England to account for their overall performance and to maintain a policy delivery partnership (PDP) with Homes England. This PDP supports Homes England to deliver its strategic objectives and ensures that the Department speaks in a single voice to Homes England with regard to the Department's policy priorities and expected outcomes.
- 11.6. The Department's Public Appointments team will coordinate and lead the process for the recruitment and appointment of all Board members, working with the Sponsorship team and in consultation with Homes England.

12. Policy Delivery Partnership

- 12.1. The Department and Homes England will work closely together in a PDP to drive regeneration and housing delivery to create high-quality homes and thriving places.
- 12.2. Agreed ways of joint working underpinning the PDP will be set out in guidance for policy and delivery teams and updated as required by the Sponsorship team and Homes England's Sponsorship, Government and Parliament team ("the Sponsorship, Government and Parliament team").

13. Resolution of disputes between the Department and Homes England

- 13.1. Any disputes between the Department and Homes England will be resolved in as timely a manner as possible. Where possible, issues shall be resolved at working level supported by the Sponsorship team and Sponsorship, Government and Parliament team. Where disputes arise, the Department and Homes England will seek to resolve them through an informal process in the first instance. If this is not possible, the issue will be escalated to the Senior Sponsor and Homes England Chief Executive for resolution. Within Homes England, issues and disputes will be escalated to the Executive and the Board as necessary.

14. Conflicts of interest

- 14.1. The Department and Homes England acknowledge and accept that Homes England, acting in accordance with its statutory objects, may potentially find itself in conflict with the Department in certain circumstances, for example where: Homes England has made a compulsory purchase order that needs to be confirmed by the Secretary of State; or where a planning appeal is lodged with the Secretary of State, in relation to a planning decision issued by a local planning authority in response to a planning application made by Homes England or which affects Homes England land.
- 14.2. In the event that a potential conflict of interest arises, including but not limited to the circumstances described in paragraph 14.1 above, the Senior Sponsor and the Chief Executive will agree in writing a process for handling the matter to ensure the appropriate division of responsibilities and that any decision-making process is undertaken impartially. If appropriate, they will implement information

barriers between the Department and Homes England, which may also include information barriers within the Department.

15. Freedom of Information requests

15.1. Where a request for information or Data Subject Request is received by either party under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, the General Data Protection Regulation or the Data Protection Act 2018, the content of which may be relevant to the other party, 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.

16. Reporting on legal risk and litigation

16.1. Homes England will provide a six-monthly update to the Department via its Sponsorship and Legal teams on the existence of any active litigation and any threatened or reasonably anticipated litigation, notwithstanding the provisions of any protocol agreed under the terms of clause 16.3 below.

16.2. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the Department in a timely manner.

16.3. Homes England will report the existence and progress of any substantial piece of litigation to its Audit, Assurance and Enterprise Risk Committee (AAERC) promptly, taking into account the monetary value of the claim and all other relevant factors. Following such reports to AAERC where AAERC deems it appropriate to communicate to the Department outside the six-monthly report, Homes England will ensure that:

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

Homes England governance and structure

17. The Board

Composition of the Board

- 17.1. Homes England will have a Board in line with good standards of corporate governance and as set out in the Act and in guidance as set out in Annex A. The role of the Board will be to run Homes England, and to deliver the objectives, in accordance with the purposes as set out above, its statutory, regulatory, common-law duties and their responsibilities under this framework document. Detailed responsibilities of the Board will 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).
- 17.2. The Board will consist of a chairperson, together with the Chief Executive, and non-executive members that have a balance of skills and experience appropriate to directing Homes England's business. At the request of the Board, the Secretary of State may appoint other serving executives to be members of the Board.
- 17.3. The Board should ensure that the Executive are supported and constructively challenged in their role. To this end:
- the number of Board members must not fall below six (Schedule 1 of the Act);
 - it is expected that there will be at least nine Board members, all of whom (other than the Chief Executive) must be non-executive including the Chair;
 - the Secretary of State may appoint a senior UK government official as the Department's "Shareholder Director" on the Board. The Shareholder Director is a non-executive member. The Department will consult the Chair prior to the appointment being made; and
 - an independent non-executive member may be appointed as the Senior Independent Director⁵.

Duties of the Board

- 17.4. With respect to the Act, the Board has statutory responsibility for exercising the functions of Homes England. The Homes England Board may delegate any of its statutory functions to any of its members, committees, sub-committees or staff. The Board is specifically responsible for:
- ensuring delivery of Homes England's objectives consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State;
 - providing effective leadership of Homes England within a framework of prudent and effective controls which enables risk to be assessed and managed;
 - ensuring the financial and human resources are in place for Homes England to meet its objectives;
 - reviewing management performance;

⁵ The UK Corporate Governance Code 2018 states that the role of a Senior Independent Member is to provide a sounding board for the Chair and to serve as an intermediary for the other board members and sponsor when necessary.

- ensuring that the Board receives and reviews regular financial and management information concerning the management of the Homes England;
- holding the Chief Executive to account for the effective and efficient delivery of the Homes England annual business plan and for the day-to-day management, delivery and performance of Homes England;
- ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of the Homes England Board or on the attainability of its targets, and determining the steps needed to deal with such changes and where appropriate bringing such matters to the attention of the Secretary of State and PAO via the Executive, Sponsorship team or directly;
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with the Department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account MPM and any guidance issued by the Department;
- ensuring that as part of the above compliance the Board is familiar with:
 - this framework document;
 - any delegation letter issued to Homes England as set out in section 32;
 - any elements of any settlement letter issued to the Department that is relevant to the operation of Homes England; and
 - the appropriate internal mechanisms for the monitoring, governance and external reporting regarding any conditions arising from the above documents and ensure that the Chief Executive and Homes England as a whole act in accordance with their obligations under the above documents.
- demonstrating high standards of corporate governance at all times, including by using the Audit, Assurance, and Enterprise Risk Committee to help the board to address key financial and other risks;
- approving the Annual Report and Accounts;
- overseeing production and retain oversight of the Risk Appetite Statement and Risk Management Framework as set out in section 28;
- appointing, with the Secretary of State's prior written approval, a Chief Executive and, in consultation with the Department, setting performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use and utilisation of public resources (see section 30); and
- determining all such other things which the Board considers ancillary or conducive to the attainment or fulfilment by Homes England of its objectives.

17.5. The Board will 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 Board will ensure that effective arrangements are in place to provide assurance over the design and operation of risk management, governance and internal control in line with the Management of Risk – Principles and Concepts (The Orange Book). The Board will set up an Audit, Assurance and Enterprise Risk Committee (AAERC) chaired by an independent and appropriately qualified non-executive member. This Committee will provide

independent advice and assurance to the Board. The Board, via the Shareholder meeting, will provide the Department with routine assurances and escalation of any significant limitations or concerns, with information and assurance flows from the Shareholder meeting to the Department's Audit and Risk Assurance Committee as appropriate. The Board is expected to assure itself of the adequacy and effectiveness of the risk management framework and the operation of internal control.

Board Committees

17.6. The Board may set up such committees as necessary for it to fulfil its functions. The Board will constitute (as a minimum) the following committees of the Board:

- Audit, Assurance and Enterprise Risk committee ("AAERC");
- Investment committee (the "Investment Committee");
- Nominations and Remuneration committee (the "Nominations and Remuneration Committee"); and
- Home Ownership committee (the "Home Ownership Committee").

Other time-limited committees will be put in place as necessary.

17.7. The Chair of the AAERC will be an independent non-executive member with relevant experience. All members of the committee will be non-executive.

17.8. Where appointed, the Shareholder Director will be a member of the Investment Committee and the Nominations and Remuneration Committee. With the agreement of the Committee Chair, the Shareholder Director may nominate a sole delegated representative to attend meetings on their behalf as an observer. The Shareholder Director, or their representative, may attend as an observer the meetings of other committees where they are not a committee member. Alternatively, a member of the Sponsorship team may attend as an observer.

17.9. The Board may delegate activities to committees to assist in its consideration of appointments, succession, audit, risk and remuneration. However, the Board will retain responsibility for, and endorsement of, final decisions in all of these areas. The Chair will ensure that sufficient time is allowed at Board meetings for committees to report on the nature and content of discussion, on recommendations, and on actions to be taken.

17.10. Where there is disagreement between a committee and the Board, adequate time will be made available for discussion of the issue at a meeting of the Board with a view to resolving the disagreement. Where any such disagreement cannot be resolved, the committee concerned will have the obligation to report the issue to the Secretary of State, PAO, Senior Sponsor and Sponsorship team. It may also seek to ensure the disagreement or concern is reflected as part of the report on its activities in the annual report.

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

18. The Chair's role and responsibilities

18.1. The Chair is responsible for leading the Board in the delivery of its responsibilities. Such responsibility should be exercised in the light of the duties and responsibilities as set out in the Chair's appointment letter, the statutory authority governing Homes England; this document; and the documents and guidance referred to within this document.

18.2. The Chair is the primary point of contact for the Secretary of State in exercising their responsibilities with regard to Homes England. Communications between the Secretary of State and Homes England should normally be through the Chair, supported by the Chief Executive as required. The Chair is responsible for ensuring that policies and actions support the Secretary of State's wider strategic policies.

18.3. The Chair is bound by "The Code of Conduct: Homes England Board Members" in the Homes England Governance Manual and the Cabinet Office's Code of Conduct for Board Members of Public Bodies, which covers conduct in the role and includes the Nolan Principles of Public Life.

18.4. In addition, the Chair is responsible for:

- ensuring, including by monitoring and engaging with appropriate governance arrangements, that Homes England's affairs are conducted with probity; and
- ensuring that policies and actions support the Secretary of State's wider strategic policies and where appropriate, these policies and actions should be clearly communicated and disseminated throughout Homes England.

18.5. The Chair has the following leadership responsibilities:

- formulating the Board's strategy;
- supporting the Chief Executive in delivering the strategic objectives of Homes England;
- ensuring that there is an appropriate operating model in place to deliver of the strategic objectives of Homes England;
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the Secretary of State or the Department;
- promoting the efficient and effective use of staff and other resources;
- delivering high standards of regularity and propriety; and
- representing the views of the Board to stakeholders and the general public.

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

- the work of the Board and its members is reviewed and is working effectively. This includes an ongoing assessment of the performance of individual Board members with a formal annual evaluation and more in-depth assessments of the performance of individual Board members when being considered for reappointment.
- they lead and undertake the annual performance review of the Chief Executive (supported by another Board member), which draws upon departmental feedback on performance;

- in conducting performance assessments that the view of relevant stakeholders including employees and the Sponsorship team are sought and considered;
- risks are escalated to the Department as and when appropriate in accordance with section 28 and supporting a collaborative approach to risk management;
- the Board has a balance of skills appropriate to directing Homes England’s business, and that all members including the Chair and Chief Executive continually update their skills, knowledge and familiarity with Homes England to fulfil their role both on the Board and committees. This will include but not be limited to skills and training in relation to financial management and reporting requirements, risk managements and the requirements of board membership in the public sector;
- Board members are fully briefed on their terms of appointment, duties, rights and responsibilities;
- the Chair, together with the other Board members, receive appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the Secretary of State is advised of Homes England’s needs when Board vacancies arise;
- there is a Board operating framework in place, which sets out the role and responsibilities of the Board (consistent with the Government Code of Good Practice for Corporate Governance); and
- there is a code of practice for Board members in place, consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies.

19. Individual Board members’ responsibilities

19.1. Individual Board members will:

- comply at all times with “The Code of Conduct: Homes England Board Members” in the Homes England Governance Manual and the Cabinet Office’s 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 twelve principles of governance for all public body non-executive directors as appropriate;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seeking to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- comply with the Board’s rules on the acceptance of gifts and hospitality, and of business appointments;
- act in good faith and in the best interests of Homes England; and
- 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.

20. The Chief Executive

Responsibilities of the Homes England Chief Executive as accounting officer

20.1. The Chief Executive as 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 Homes England. In addition, they should ensure that Homes England as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out Chapter 3 and Box 3.1 of MPM (Special responsibilities of accounting officers). These responsibilities include the below and those that are set in the AO appointment letter issued by the PAO.

Responsibilities for accounting to Parliament and the public

20.2. Responsibilities to Parliament and the public include:

- signing Homes England's accounts, ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;
- preparing and signing a governance statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about Homes England in accordance with Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling are established;
- ensuring that procedures for handling complaints are made widely known within Homes England and published on <https://www.gov.uk/government/organisations/homes-england>;
- acting in accordance with the terms of MPM and other instructions and guidance issued from time to time by the Department, HM Treasury and the Cabinet Office;
- ensuring that as part of the above compliance they are familiar with and act in accordance with:
 - any governing legislation (including, without limitation, the Act);
 - this framework document;
 - any delegation letter issued to Homes England by the Department as set out in section 32;
 - any elements of any settlement letter issued to the Department that is relevant to the operation of Homes England; and
 - any separate settlement letter that is issued to Homes England from the Department.
- ensuring appropriate internal mechanisms for the monitoring, governance and external reporting regarding non-compliance with any conditions arising from the above documents are in place in Homes England; and
- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee (PAC) on Homes England's stewardship of public funds.

Responsibilities to the Department

20.3. Responsibilities to the Department include:

- establishing, in agreement with the Department, the Homes England’s strategic and annual business plans in light of the Department’s wider strategic aims and agreed priorities;
- informing the Department of progress in helping to achieve its policy objectives and in demonstrating how resources are being used to achieve those objectives; and
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the Department; that the Department is notified promptly if over- or under-spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Department in a timely fashion.

Responsibilities to the Board

20.4. The Chief Executive is responsible for:

- ensuring that Homes England delivers the strategic objectives within the policy and resource parameters set by the Secretary of State;
- advising the Board on the discharge of Homes England’s responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time;
- advising the Board on Homes England’s performance compared with its aims and objectives; and
- ensuring that financial considerations are fully taken into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed.

Managing conflicts

20.5. The Chief Executive should follow the advice and direction of the Board, except in very exceptional circumstances. In the event of a conflict arising, the Chief Executive should set out a clear and transparent rationale to the Chair of the Board for not taking such advice and direction.

20.6. If the Board, or its Chair, is contemplating a course of action involving a transaction which the Chief Executive considers would: infringe the requirements of propriety or regularity; or does not represent prudent or economical administration efficiency or effectiveness; is of questionable feasibility; or is unethical, as set out in paragraph 3.10.6 of MPM, the Chief Executive, in their role as AO, should reject that course of action. The Chair of the Board should ensure that the Board has a full opportunity to discuss the rationale for that rejection.

20.7. Such conflicts should be brought to the attention of the Secretary of State, PAO and Senior Sponsor as soon as possible.

20.8. Furthermore, and if agreed with the Secretary of State, the AO must write a letter of justification to the Chair of the Board setting out the rationale for not following the advice and recommendation of the Board and copy that letter to the Treasury Officer of Accounts.

20.9. If the Secretary of State agrees with the proposed course of action of the Board it may be appropriate for the Secretary of State to direct the AO in the manner as set out in paragraph 3.6.6 of MPM onwards.

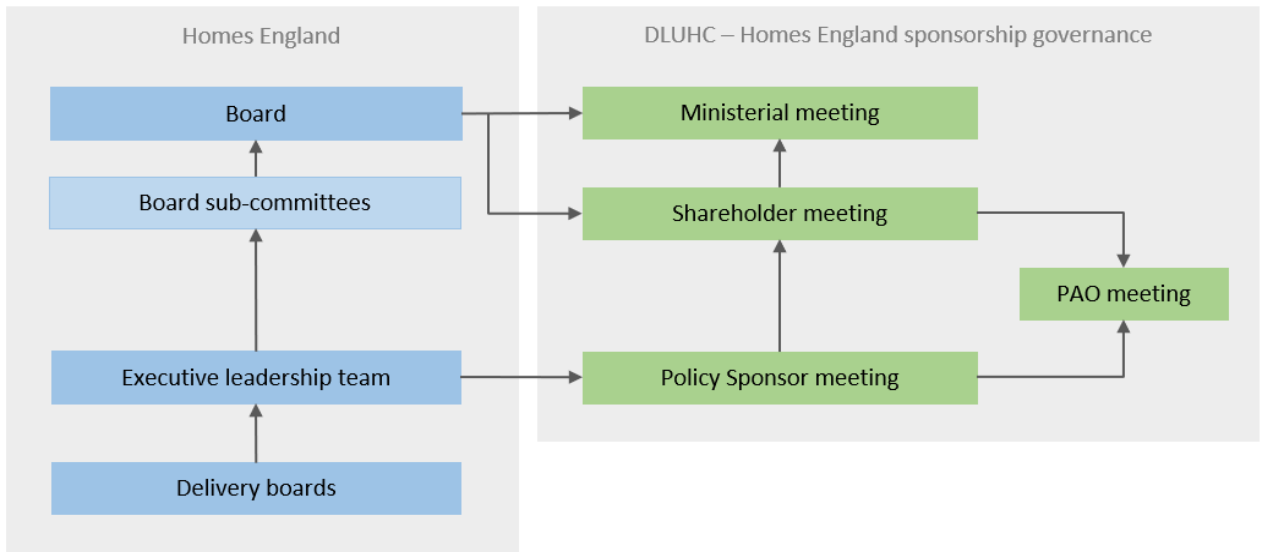
21. Confidentiality

- 21.1. The Shareholder Director, where one has been appointed to the Homes England Board, will be authorised to pass to the Department information received in their capacity as a member of the Homes England Board, on the understanding that due care will be taken in handling any commercially sensitive and/or legally privileged information, as set out in section 14 above.
- 21.2. Where the Shareholder Director receives information other than in their capacity as a member of the Homes England Board, and where the information is subject to a duty of confidentiality, they will not be obliged to disclose information to Homes England. The appointment letter for the Shareholder Director will contain further provisions specifically on the sharing of confidential information between Homes England and the Shareholder Director.

22. Sponsorship governance

- 22.1. The following formal meetings, chaired by the Department, will take place to ensure appropriate accountabilities, assurance and information flows between the Secretary of State and Homes England.
- *Ministerial meeting* – the Secretary of State, Minister for Housing and the Senior Sponsor will meet quarterly with the Homes England Chair and Chief Executive to assess policy developments and strategic issues. The Secretary of State and other Ministers may require additional meetings as necessary.
 - *PAO meeting* - the PAO will meet quarterly with the AO to assess Homes England’s performance, and to discuss strategic issues and risks.
 - *Shareholder meeting* – the Senior Sponsor, Shareholder Director and Policy Sponsor will meet quarterly with the Homes England Chair, Senior Independent Director, Chief Executive and other non-executive Board members (as appropriate) to obtain assurance on the Board’s confidence in the overall organisational health, performance and corporate functionality of Homes England.
 - *Policy Sponsor meeting* – the Department’s Policy Sponsor will meet monthly with the Homes England Chief Executive and other executive members (as appropriate) to maintain oversight of performance against delivery ambitions at a portfolio level, strategic objectives, the Annual Business Plan; and oversee the health of the policy delivery partnership.
- 22.2. Terms of Reference and supporting documentation for sponsorship governance meetings will be jointly developed by the Department and Homes England and agreed by the relevant forum. Such documentation will be reviewed annually to ensure it remains fit for purpose.
- 22.3. Both the Department and Homes England will seek to streamline sponsorship governance and avoid the duplication of decision-making structures. The Senior Sponsor and Chief Executive will undertake an annual review of sponsorship governance to ensure it remains fit for purpose and will jointly agree any amendments.
- 22.4. Homes England will hold and maintain a repository of relevant internal and sponsorship governance documentation and make this accessible to the Sponsorship team as required.

Sponsorship governance overview



23. Delivery governance

23.1. Activity delivered by Homes England on behalf of the Department will support the delivery of Homes England’s Strategic Plan and other Government priorities ascribed to the Agency.

Commissioning

23.2. Activity must be formally initiated via a commission from the Department to Homes England, the details of which are set out in a commissioning document. This document will specify the terms and parameters within which the activity will operate, including reporting and management information requirements. Where applicable, activities will also require a full business case, approved by the Department and HM Treasury, prior to commencing delivery. Guidance for the commissioning of activities will be set out by the Department and Homes England.

Delivery oversight

23.3. The Homes England Board is responsible for ensuring delivery of the organisation’s objectives consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State. Homes England will establish appropriate mechanisms to oversee and assure itself of delivery against its objectives.

23.4. To support accountability and assurance in the PDP, Homes England will establish delivery boards as the main fora where delivery oversight is conducted at a programme/place level. Delivery boards will provide oversight and assurance of programme/place delivery to the Executive and Board. They will fulfil their purpose by:

- ensuring deliverability of business cases;
- optimising programme/fund performance (including monitoring financial and delivery performance against targets and budgets; and identifying actions to retrieve performance as appropriate);

- providing assurance on programme/fund outcomes (including reviewing pipeline information and scrutinising this against policy objectives; and reviewing relevant risk registers regularly); and
- capturing lessons learned and informing future policy development.

The remit, functions and ways of working of delivery boards will be set out in terms of reference developed in consultation with the Department and agreed by each delivery board.

- 23.5. Departmental policy owners and other key stakeholders will attend delivery boards to provide oversight, challenge, assure themselves Homes England programme/place delivery and escalate issues as necessary.
- 23.6. Delivery boards will escalate performance or policy issues, risks and concerns as necessary within Homes England; and departmental policy owners will escalate as appropriate to the relevant departmental governance forum. Both Homes England and departmental policy owners will bring performance or policy issues, risks and concerns to the attention of the Policy Sponsor through the monthly Policy Sponsor Meeting.

Reporting requirements

- 23.7. Reporting requirements for new and existing activities will be agreed through the relevant delivery board (with agreement from relevant stakeholders including HM Treasury); aligned with the arrangements set out in the commissioning document and approved business case; and included within the management information pack presented at that delivery board. Delivery board-level reporting will feed into the portfolio performance reports provided to the Department (see section 35). Delivery boards will share performance information with the Department for the purpose of delivery assurance: however, the Department's boards will not undertake programme/place level delivery oversight.

Management and financial responsibilities and controls

24. Delegated authorities

- 24.1. Homes England's delegated authorities are set out in the Consolidated Schedule of Delegations and Flexibilities (annexed to the annual delegation letter issued by the Senior Sponsor to the Chief Executive). This delegation letter will be updated annually and superseded by later versions which may be issued by the Department in agreement with HM Treasury.
- 24.2. Homes England will obtain the Department's, and where appropriate HM Treasury's, prior written approval before:
- entering into any agreement to incur any expenditure that falls outside the delegations or which is not provided for in Homes England's annual budget as approved by the Department;
 - incurring expenditure for any purpose that is or might be considered novel or contentious, or which has, or could have significant future cost implications;
 - making changes outside the scope of Homes England's delegations in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
 - making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
 - carrying out policies that go against the principles, rules, guidance and advice in MPM.
- 24.3. Homes England may delegate budgets and spending authorities to its own staff, and give authority to sub-delegate further as appropriate, to meet operational needs. Homes England will maintain appropriate and up-to-date documentation and records for all sub-delegations made within Homes England and this documentation will be made available to the Department on request.
- 24.4. Homes England will not, without the Department's prior written consent or agreement, charge any asset or security, give any guarantee, indemnities or letters of comfort, or incur any other contingent liability, other than those given in the normal course of business.
- 24.5. Homes England will operate in accordance with any general consents⁶ issued by the Secretary of State. These will be reviewed regularly (no less frequently than every three years) by the Department and Homes England to ensure that they remain fit for purpose in enabling the delivery of Homes England's strategic objectives.

25. Spending authority

- 25.1. Once the budget has been approved by the Department and subject to any restrictions imposed by the delegation letter, Homes England shall have authority to incur expenditure approved in the budget without further reference to the Department, on the following conditions:
- Homes England shall comply with the delegations set out in the delegation letter. These delegations shall not be altered without the prior agreement of the sponsor department and as agreed by HM Treasury and Cabinet Office as appropriate;

⁶ There are two general consents: General Consent to Dispose of Land for Less than Best Consideration; General Consent to the Giving of Financial Assistance.

- Homes England shall comply with MPM regarding novel, contentious or repercussive proposals;
 - inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed; and
 - Homes England shall provide the sponsor department with such information about its operations, performance, individual projects or other expenditure as the sponsor department may reasonably require.
- 25.2. Homes England will follow the principles, rules, guidance and advice as set out in MPM, unless agreed by the Department and, as necessary, HM Treasury, referring any departures or potential bids for exceptions to the Department in the first instance.
- 25.3. Homes England is subject to Cabinet Office spend controls,⁷ the Department's spend controls⁸ and where applicable digital and technology spend controls, subject to any flexibility that is negotiated for Homes England. These controls apply separately to any other requirement for consent or approval or delegated authority (whether financial, procurement or other) under this Framework Document.
- 25.4. A non-exhaustive list of guidance and instructions with which Homes England will comply is set out in Annex A. Any issues or uncertainty as to the application of that guidance will be referred to the Department in the first instance.
- 25.5. Homes England must comply with the UK's subsidy control regime. It will ensure that activities that raise issues of subsidy control are properly considered, and that legal advice is obtained where necessary from its legal advisers. The Department and Homes England will agree which of them will be responsible for publishing details of subsidies on the Government's transparency database.

26. Banking and managing cash

- 26.1. Homes England must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by the Government Banking Service).
- 26.2. Homes England will only hold money outside Government Banking Service accounts where a good business case can be made for doing so and it will seek HM Treasury consent for each account to be established. Only commercial banks which are members of relevant UK clearing bodies may be considered for this purpose. This does not preclude the creation of bank accounts by third parties where Homes England may have an interest in the sums held (e.g., a rent deposit account opened in the name of a tenant or a development account where the sums held are charged to, or held on trust for, Homes England in the course of the exercise of its functions).
- 26.3. Commercial accounts where approved should be operated in line with the principles as set out in MPM.
- 26.4. The Chief Executive is responsible for ensuring Homes England has a Banking Policy in line with the principles as set out in MPM and that the policy is complied with.

⁷ <https://www.gov.uk/government/publications/cabinet-office-controls-version-5/cabinet-office-controls-policy-version-5>

⁸ As provided to Homes England by the Department.

27. Commercial and procurement

- 27.1. Homes England will adopt a three-year commercial strategy setting out how it will continue to deliver value for money through contracting with third parties and in compliance with its regulatory framework. The strategy will include guidance from the Commercial Continuous Improvement Assessment Framework. The strategy will be shared with the Cabinet Office's Central Commercial Team and the Department's Commercial function for information.
- 27.2. Homes England will ensure that its procurement policies and procedures align and comply with any relevant UK or other international procurement rules, in particular the Public Contracts Regulations 2015 (or any legislation that replaces them).
- 27.3. Homes England will establish its procurement policies and procedures, and document these in a Procurement Policy and Procedures Manual.
- 27.4. Goods, services, and works will be acquired by competition. Procurement by Homes England of works, equipment, goods and services will be based on a full option appraisal and value for money, i.e., the optimum combination and whole life costs and quality (fitness for purpose). Proposals to let single-tender or restricted contracts will be limited and exceptional. Homes England will provide a quarterly update on any exceptions to the Department.
- 27.5. In procurement cases where Homes England is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase will be sought from the Sponsorship team, in consultation with the Department's commercial function and with reference to Cabinet Office spending controls, as appropriate.
- 27.6. Homes England will engage in full with the Department and government-wide procurement initiatives that seek to achieve value for money from collaborative projects; comply with all relevant Procurement Policy Notes issued by the Cabinet Office; and co-operate fully with initiatives to improve the availability of procurement data to facilitate the achievement of value for money.
- 27.7. Homes England will 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.
- 27.8. Homes England will undertake an assessment of its commercial skills and resources, and if necessary, adopt a commercial capability plan to address any potential gaps.

28. Risk management

- 28.1. Homes England 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 operate a risk management strategy, in accordance with HM Treasury guidance, Management of Risk: Principles and Concepts. It shall adopt and implement policies and practices to safeguard itself against fraud and theft, in line with HM Treasury's guidance on tackling fraud, Managing the Risk Fraud Guide for managers. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.

- 28.2. Homes England shall maintain a risk management framework and associated suite of risk policies and documentation, including the taxonomy, appetite statements, etc. (the "Risk Management Framework"), each in respect of risks relevant to the activities and exposures of Homes England, and within which it will operate. This includes risks associated with making and divesting investments, the assessment and mitigation of those risks and Homes England's associated structures, controls, processes, and procedures. The risk management framework shall include agreed escalation processes. This will include provision for open communication between the Chief Risk Officers of the Department and Homes England, including direct contact to discuss and share information on risk matters.
- 28.3. The Department and Homes England acknowledge the importance of ensuring that material risks are communicated appropriately to the Department in a timely manner, giving due regard to the "Partnerships between departments and arm's-length bodies: Code of Good Practice" in all their interactions.
- 28.4. The Risk Management Framework, Risk Appetite Statement and Risk Taxonomy shall be reviewed by Homes England Board on an annual basis (and otherwise as necessary) to take into account any changes that it deems relevant. These include but are not limited to the activities of Homes England, the investment environment, and other guidelines and/or regulatory requirements.
- 28.5. Homes England shall inform and consult with the Department in respect of any changes to the Risk Appetite Statement and/or the Risk Management Framework that the Board considers to be material and that are, or may become, necessary from time to time. Any such updates or amendments to the Risk Appetite Statement and/or the Risk Management Framework, whether arising out of the annual review process or otherwise shall be jointly agreed by the Department and the Homes England Board.
- 28.6. To assess and manage the level of financial risk carried in its portfolio of financial transactions, Homes England shall use the appropriate tools, methodologies and techniques in accordance with the market practice for the portfolios of similar size and composition. The Department will also rely on quantitative financial risk analysis capabilities in Homes England and may, from time to time, commission it to perform a valuation of the financial transactions on the Department's own portfolio.
- 28.7. The Department shall commission a stress test of the portfolio managed by Homes England. The scope and frequency of the stress test will be agreed between the Department and Homes England as part of the annual commissioning process. The stress test shall be performed on a quarterly basis, unless otherwise agreed, using a suite of severe but plausible scenarios, such as those published by Bank of England for the banking system test, and the results reported to the Senior Sponsor. The Department may commission additional what-if scenarios using pertinent risk factors outside of the normal rhythm if deemed necessary by the Senior Sponsor for the departmental contingency planning purposes.

29. Counter Fraud and Theft

- 29.1. Homes England should adopt and implement policies and practices to safeguard itself against fraud and theft.

- 29.2. Homes England 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 Annex 4.9 of MPM and the Counter Fraud Functional Standard. 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.
- 29.3. Homes England should keep records of, and prepare and forward to the Department, an annual report on fraud and theft suffered by Homes England and notify the Department of any unusual or major incidents as soon as possible. Homes England 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.

30. Homes England Staff

Broad responsibilities for staff

- 30.1. Within the arrangements approved by the Secretary of State (including those set out in this Framework Document), Homes England will have responsibility for the recruitment, retention, development and motivation of its staff. The broad responsibilities toward its staff are to ensure that:
- the principles for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement are based on merit; and there is no unlawful discrimination against employees with protected characteristics under the Equality Act 2010 and other applicable legislation;
 - 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 Homes England's performance management systems are reviewed from time to time;
 - its staff are encouraged to acquire and maintain the appropriate professional, management and other expertise necessary to continue to achieve Homes England's objectives;
 - proper consultation with staff and trade unions takes place on key issues affecting them;
 - adequate grievance and disciplinary procedures and whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place; and
 - policies and procedures are in place consistent with the Cabinet Office's Model Code for Staff of Executive Non-Departmental Public Bodies.

Staff costs

- 30.2. Subject to its delegated authorities, Homes England will ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them unless otherwise agreed with the Department.

Pay and conditions of service

- 30.3. Homes England staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by the Department.

- 30.4. Homes England's approach to reward and remuneration at all levels should reflect both its role in delivering its mission and strategic objectives and its responsibility as a steward of taxpayers' money. It should therefore be designed to recruit, attract, develop, retain and motivate suitably skilled staff, taking into consideration value for money as well as commercial efficiency and market conditions.
- 30.5. The Homes England Board's Nominations and Remuneration Committee is responsible for the remuneration strategy for Homes England as a whole. In addition, it is responsible for executive and senior management remuneration terms, including performance objectives and awards. The Committee will report on its activities in Homes England's Annual Report and in an annual letter to the Secretary of State.
- 30.6. Staff terms and conditions will be set out in relevant Homes England policies and procedures. Those policies specific to pay and pensions will be agreed by the Homes England Nominations and Remuneration Committee and where relevant, approved by the Department. Homes England will take government and departmental people policies into account and where relevant, will ensure they are appropriately reflected and implemented within Homes England people policies.
- 30.7. Homes England will abide by public sector pay controls, including the relevant approvals process as detailed in the Senior Pay Guidance and the Public Sector Pay and Terms Guidance, subject to any specific flexibility that is negotiated for Homes England and approved by the Department.
- 30.8. Homes England will provide the Department with details of its proposals for its annual pay negotiations, prior to agreeing the annual pay settlement with its staff or communicating its proposals to them. The proposals and the settlement will be within the scope of a pay remit, the format of which will be advised each year by the Department. The pay remit will comply with annual HM Treasury and Cabinet Office Pay Guidance, and be approved by the Secretary of State. Homes England must subsequently notify the Department of the outcome of its pay negotiations and provide additional pay bill information as requested.
- 30.9. Where the Nominations and Remuneration Committee recommends a proposed remuneration of any new or existing staff exceeding the prevailing limits set by Cabinet Office and HM Treasury Pay Guidance, Homes England will seek approval from the Department and HM Treasury as applicable.
- 30.10. Homes England will operate a performance award pay scheme that will form part of the general pay structure agreed with the Department and HM Treasury.
- 30.11. Any performance bonus for senior executives will be based on the role-holder exceeding performance objectives as agreed and recommended by the Nominations and Remuneration Committee. The Nominations and Remuneration Committee may approve contractual performance bonuses up to ten percent and where they do not exceed the senior pay limit (currently set at £17,500). Where a performance bonus relates to the Chief Executive Officer, or exceeds the senior pay limit, Homes England will seek approval from the Department and HM Treasury as applicable.
- 30.12. For all external recruitment, Homes England will follow the requirements in HM Treasury and Cabinet Office Pay Guidance, subject to any specific flexibility that is negotiated for Homes England and approved by the Department.

Pensions, redundancy and compensation

- 30.13. Compensation scheme rules and pension scheme rules will reflect legislative and HM Treasury guidance requirements regarding exit payments.
- 30.14. Homes England staff will normally be eligible for one of two public sector pension schemes: the HCA (former English Partnerships) Pension Scheme (HCAPS) which is a scheme set up under trust and run by trustees; and the statutory, funded, Local Government Pension Scheme. Only the HCA Pension Scheme (HCAPS) remains open to new members.
- 30.15. Homes England is responsible for the proper funding of these schemes through its agreed employer contribution rates and the repayment of any deficits from within its annual budget in accordance with the terms of the schemes. The governance of HCAPS resides with the trustees of the scheme.
- 30.16. Staff may opt out of the occupational pension scheme provided by Homes England, but they will not receive any additional allowances or supplements. Should a member elect to opt out with less than two years' service, they will receive a refund of their contributions (minus tax). If they opt out after two years' service, they will have a deferred pension with the Scheme.
- 30.17. Any proposal by Homes England to move from the existing pension arrangements requires the prior approval of the Department. Any proposal by Homes England to pay any redundancy or compensation for loss of office requires the prior approval of the Department, excepting for where specific flexibility for Homes England has been approved by the Department. Proposals on severance must comply with the rules in chapter four of MPM.

Business Plans, Financial Reporting and Management information

31. Strategic Plan

- 31.1. Homes England will prepare a five-year strategic plan (the “Strategic Plan”). It will submit a draft Strategic Plan to the Department for review and for approval by the Secretary of State. The Department and Homes England will agree the timetable for updating the Strategic Plan within the five-year period.
- 31.2. The Strategic Plan will provide an overview of how Homes England plans to deliver its Strategic Objectives and set out its key performance indicators within the policy, financial and resource parameters set by the Secretary of State. In addition, the Strategic Plan will include an overview of the financial plans that will underpin the delivery of the Strategic Objectives, Homes England’s risk management, and any other matters agreed between the Department and Homes England. The Strategic Plan will be supported by a detailed annual business plan (see section 32 below).
- 31.3. Following approval by the Department, and subject to any commercial considerations, the Strategic Plan will be published by Homes England on its website.

32. Annual Business Plan

- 32.1. Homes England will prepare an annual business plan (the “Annual Business Plan”) covering five years. It will be a detailed, rolling business plan that provides five-year financial and delivery forecasts, including a comprehensive detailed budget and delivery plan for the first year. This will include monthly profiles.
- 32.2. Homes England will submit a draft Annual Business Plan to the Department annually for review and approval in accordance with the provisions set out in this section.
- 32.3. The Annual Business Plan will include the following key matters for the period covered:
 - key activities (and timeframes) that will be undertaken to deliver the strategic objectives;
 - detailed financial plans to deliver the activities (and thus strategic objectives) within the financial and resource parameters set by the Secretary of State, which will include cash flow and balance sheet information;
 - performance indicators and targets, budget, income and expenditure forecasts for the year;
 - information on any organisational transformation plans including the building of capacity and capability;
 - overview of the key risks facing Homes England; and
 - other matters as agreed between the Department and Homes England.
- 32.4. The Annual Business Plan will provide a detailed budget and delivery plan for all existing Homes England programmes and/or activities. If there is a need to revise the terms of an existing programme, the Department and Homes England will review the impact on the Annual Business Plan and subject to agreement, will update the commissioning document (the Department) and the Annual Business Plan (Homes England).

- 32.5. Homes England will submit a final draft of the Annual Business Plan, approved by the Board, to the Department by no later than 31 March. Departmental officials will have provided Homes England input as agreed during the business planning process. The final plan, including any amendments, will be approved by the Secretary of State and the Annual Business Plan will be in place by 30 April.
- 32.6. Any amendments to the Annual Business Plan required to take account of financial year end delivery will be made by 15 April, or otherwise agreed between the Department and Homes England. The expected amendments will be approved by the Department at an official level (unless substantial) and an updated agreed Annual Business Plan will be in place by 30 April.
- 32.7. The Annual Business Plan may be updated during the year to reflect the approval of new programmes or as a response to exceptional circumstances, which are outside the direct control of Homes England, and have a material impact on the ability of Homes England to deliver the Annual Business Plan. Any changes will be considered on a quarterly basis and approved by the Department at an official level (unless substantial or otherwise agreed by the Department).
- 32.8. Any changes to the content, timescales and approval processes for the Annual Business Plan will be agreed between the Department and Homes England.

33. Budgeting procedures

- 33.1. The Department will lead on the Spending Review, from establishing a process in line with HM Treasury requirements to submission of proposals. While the Department will work jointly with Homes England in the development of housing and regeneration policies and programmes, it is ultimately responsible for the design of these programmes. As part of this joint working, departmental policy owners and Homes England delivery owners will collectively assure the deliverability of housing and regeneration proposals that form part of the Spending Review submission. Homes England's contribution to the Department's Spending Review submission will be reviewed and approved by the Homes England Board and Executive prior to submission.
- 33.2. Each financial year, by the end of February, the Department will commission from Homes England the information needed to compile the Department's Main Estimates to enable Parliamentary approval for Homes England's budgetary provision for the coming financial year. Homes England will provide a response no later than two weeks after receipt of the commission. As far as possible, Homes England will draw this information from its Annual Business Plan.
- 33.3. An indicative budget is to be provided by the 31 March of each year, which will reflect Homes England's draft Annual Business Plan and Main Estimates submission. In order to achieve this timeframe, Homes England will provide its draft Annual Business Plan figures no later than 17 March, along with explanations for any significant departure from the profiles that have been agreed as part of the preceding Supplementary Estimate process.
- 33.4. The Department will provide Homes England with a formal statement (the "Budget Delegation Letter") of its annual budgetary provision (the "Budget") and confirmation of its delivery targets for the coming financial year. This shall be issued by 30 April, unless agreed otherwise by the Department and Homes England. The Budget Delegation Letter shall include the final confirmed budget, which will reflect the agreed Annual Business Plan spend and delivery figures and shall supersede the indicative budget. For

any subsequent budget changes following the agreement of the Annual Business Plan and the issuance of the Budget Delegation Letter, Homes England's budgets will be amended as part of the Quarter 2 budget review.

- 33.5. In the first year immediately following a fiscal event (e.g., a Spending Review), the budget delegated to Homes England at the start of that year should reflect the position agreed at that fiscal event, except either in exceptional circumstances or for any newly announced activity/programmes. For new activity/programmes, budgets should only be delegated to Homes England once there is an approved business case in place. Typically, any exceptional departure from the agreed position will require the agreement of HM Treasury. The Department will make Homes England aware of any such conditions at the time of the fiscal event.
- 33.6. For the avoidance of doubt, this budget is indicative, and hence subject to change, until the Main Estimates are formally approved by Parliament, which usually happens in July of each year. For any activity not covered by Homes England's Annual Business Plan (e.g., early activity on a new programme which has yet to receive business case approval), the Department will provide interim budget provision and supporting delegations whilst formal business case approval is sought.
- 33.7. Once the budget has been approved by the Department, Homes England will have authority to incur the expenditure approved in the Budget without further reference to the Department, subject to its delegated authorities set out in the Schedule of Delegated Authorities. In the event that there is a delay in the Budget Delegation Letter being issued, Homes England will have authority to incur expenditure and generate income in line with the submitted annual business plan until such time as the formal Delegation Letter is received.
- 33.8. To more effectively manage its budgets, Homes England is encouraged to over-programme against budgets which have been delegated. To facilitate this, Homes England has been delegated a number of financial flexibilities, as set out in the consolidated Schedule of Delegations and Flexibilities. Homes England will have the opportunity to exercise these flexibilities, on a quarterly basis, in liaison with the Department's Finance function.
- 33.9. Budgetary changes (including between funds and years), and the consequential impact on delivery targets, will be put through a quarterly change control process. Provision may be made to accelerate any changes in the final quarter of the financial year as required. This includes the ability to bring forward agreed future year capital departmental expenditure limits (CDEL) budgets into the current year, to move budget between certain programmes in the current year, and reprofile budget into future years (subject to thresholds). The continued use of these flexibilities will also be dependent on Homes England providing the required information on metrics, to HM Treasury via the Department, on a quarterly basis.
- 33.10. There will also be an opportunity to request other budget changes (via the Department) through the Supplementary Estimates process. Homes England will provide the Department with the information for its Supplementary Estimates by the 20 November, with the exception of the Help to Buy programme budget which will be provided by the fourth working day in January.⁹ If agreed, a revised Budget

⁹ This is to enable Homes England to report its third quarter position on the Help to Buy programme, which provides a more accurate position of the annual budget requirement for this demand-led programme.

Delegation Letter will be issued by the Department by 28 February. As per Main Estimates, if the formal Supplementary Delegation letter is delayed, Homes England has authority to incur spend and generate income in line with its' submitted supplementary figures/revised ABP, if the budgets have otherwise been agreed. Requests made through the Supplementary Estimate process are subject for HM Treasury approval, and budgets are indicative until they are formally approved by Parliament, which normally happens in February each financial year.

- 33.11. As part of its regular monthly financial reporting, Homes England will inform the Department of any under-spends or significant changes in the profile of spend already committed and budgeted, including emerging budget pressures, so that, if necessary, appropriate action can be taken to deliver the revised requirements.
- 33.12. For the avoidance of doubt, the most recently issued Budget Delegation Letter will constitute the current Budget for Homes England.
- 33.13. The Secretary of State retains the right to amend budgets during the financial year if deemed necessary. The Department will discuss any proposed changes with Homes England and both parties will review the impact on Homes England's Annual Business Plan and existing contractual commitments. The Secretary of State will take account of the impact on Homes England's Annual Business Plan and existing contractual commitments in their decision-making.

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

- 34.1. Any grant-in-aid provided by the Department (to cover cash requirements that are not met by cash receipts) for the financial year in question will be voted in the Department's annual Supply Estimate and be subject to Parliamentary control and the Consolidated Budgetary Guidance issued by HM Treasury.
- 34.2. The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of need, through a process agreed between the Department and Homes England. Homes England will comply with the general principle that there is no draw down of grant-in-aid in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds will be kept to a minimum level, consistent with the efficient operation of Homes England. 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.
- 34.3. Levels of cash balances and any reserves held may be reviewed at any time by the Department and HM Treasury. In addition, the Department's Accounts Payable/Cash Management team will regularly monitor Homes England's cash balances through the Government Banking System. Funds in reserve may be a factor for consideration by the Department when grant-in-aid is determined. The Department recognises Homes England's reliance on receipts which are difficult to forecast and the associated risks to cash management, and that this may impact the level of cash held by Homes England
- 34.4. In the event that the Department provides Homes England separate grants for specific (ring-fenced) purposes, it will issue the grant as and when needed on the basis of a written request from Homes

England. Homes England will provide evidence that the grant was used for the purposes authorised by the Department. Homes England will not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.

35. Annual Report and Accounts

35.1. Homes England's statutory obligations in relation to its annual report and accounts are set out in the Act (Schedule 1, paragraph 11 and 12).

35.2. In addition, the Annual Report and Accounts will comply with the Accounts Direction given by the Secretary of State, with approval of HM Treasury under the Act. The Direction includes the requirements to:

- comply with the HM Treasury's Financial Reporting Manual (FRoM);
- comply with MPM; and
- comply with the HM Treasury's Fees and Charges Guide.

35.3. Homes England must publish an annual report of its activities together with its audited accounts after the end of each financial year. The specific timetable for preparing Homes England's annual report and accounts will be agreed between the Department and Homes England each year within the following parameters:

- the draft accounts data will be delivered to the Department for consolidation into the departmental group accounts in accordance with a timetable agreed between the Department and Homes England. This will generally be no later than seven weeks before the date on which Homes England's annual report and accounts are laid before Parliament with the final accounts data submitted no later than one month prior to the date that they are laid before Parliament; and
- the first draft of the performance report and governance statement will be delivered to the Department at the same time as the pre-audit accounts data.

35.4. The report must:

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

35.5. As Homes England's accounts are consolidated within the departmental group, it will adopt the Department's accounting policies unless otherwise agreed with the Department. The Department will consult with Homes England on accounting policy changes.

35.6. 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 Homes England website, in accordance with the guidance in the FRoM.

36. Reporting performance to the Department

36.1. Homes England will operate management, information and accounting systems that enable it to review in a timely manner its financial and non-financial performance against the budgets and targets set out

in the strategic and business plans, and key risks to successful delivery. Homes England will continue to develop this capability via its organisational transformation.

- 36.2. Homes England will inform the Department of any changes that make achievement of objectives more or less difficult. It will report financial and non-financial performance, including performance in helping to deliver the strategic objectives and key risks regularly. The format for supplying monitoring information will be agreed between the Department and Homes England; and provided via the Sponsorship Team.
- 36.3. Homes England will also provide the Department with a monthly financial information workbook, which is submitted to the Department by 12 noon on the sixth working day of each month. The financial return will enable the Department to monitor satisfactorily: Homes England's cash management; its draw-down of grant-in-aid; forecast outturn by the Standard Chart of Accounts (SCOA) resource headings; and other data required for HM Treasury's Online System for Central Accounting and Reporting (OSCAR).
- 36.4. Portfolio level financial, delivery performance and risk information will be reported via a consolidated report, the "Homes England Performance Report" provided in a format and to a frequency agreed by the parties. The Homes England Performance Report, containing information on the previous quarter's performance, should be submitted to the Department on the same date as it is shared with the Homes England Board.

37. Information Sharing

- 37.1. As set out in the Act (Schedule 1, paragraph 13), Homes England will provide the Secretary of State with such information as they may require relating to Homes England's activities, property or to the exercise, or proposed exercise, of its functions. Homes England must also permit any person authorised by the Secretary of State to inspect and make copies of any accounts or other documents of Homes England, and provide any such explanation of them as the Department may require.
- 37.2. The Department has the right of access to all Homes England records and personnel for any purpose including, for example, sponsorship audits and operational investigations to the extent permitted by law (e.g., data protection legislation). Homes England will provide the Department with such information about its operations, performance, individual projects or other expenditure as the Department may reasonably require.
- 37.3. The Department and Homes England will have an open, transparent and, where possible self-service, approach to the sharing of data. The Department and HM Treasury may request the sharing of data held by Homes England 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.
- 37.4. As a minimum, Homes England shall provide the Department with information monthly that will enable the Department satisfactorily to monitor:
 - Homes England's cash management
 - Its draw-down of grant-in-aid

- Forecast outturn by resource headings
 - Other data required for the Online System for Central Accounting and Reporting (OSCAR)
 - 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
- 37.5. To comply with the UK Market Abuse Regulation (MAR) in relation to the storage, handling and circulation of market sensitive 'inside information', the Department and Homes England will agree and adopt a proportionate and appropriate MAR information handling process. This process will be reviewed annually and whenever a material change is required.
- 37.6. To support the Policy Delivery Partnership, working level meetings between officials and expert staff from both the Department and Homes England will be encouraged to build understanding, share expertise and enable effective joint working.¹⁰ This may also include wider government and stakeholder meetings.
- 37.7. The Department will inform Homes England of any wider policy developments that might have an impact on its work. On behalf of the Department, it will, as soon as it is aware, provide Homes England with notice of any emerging policy, programme or operational changes that may have implications for Homes England's performance and/or present budgetary or financial implications.
- 37.8. Both the Department and Homes England must take the initiative in informing the other of changes in circumstances, in particular where these may: make the achievement of Homes England's obligations more or less difficult; impact Homes England's ability to deploy its budget allocation (and no more) within the financial year (i.e. an over- or under-spend position); or raise significant financial or reputational risks for Homes England or the Department.
- 37.9. This will be done without delay, particularly where Homes England considers an issue will impact on the ability of the Chief Executive to discharge their AO responsibilities. The Department will seek to limit additional information requests and reporting requirements on Homes England, and where possible rely on reports prepared for the Homes England Board, performance reporting as detailed in this Framework Document, the AO Letter and related governance documents. However, the Department is entitled to such information in relation to the affairs of Homes England as it may require but will seek to give reasonable notice and clear timelines for requests.
- 37.10. The Secretary of State or other departmental Ministers may from time-to-time request briefing on such reports or performance. Any briefings or submissions from Homes England to Ministers must be sent via the Sponsorship Team.

¹⁰ For avoidance of doubt, this includes the Department's policy teams and Homes England's programme/ delivery teams.

Audit

38. Internal audit

- 38.1. Homes England's AO is responsible for establishing and operating adequate and effective internal controls. Homes England has an internal audit function. It will maintain arrangements for internal audit in accordance with HM Treasury's Public Sector Internal Audit Standards (PSIAS); and ensure that the Department is satisfied with the competence and qualifications of the Chief Audit Executive and the requirements set out in PSIAS for approving appointments.
- 38.2. Homes England will operate the AAERC in accordance with corporate governance best practice and the Audit and Risk Assurance Committee Handbook, published by HM Treasury.
- 38.3. Homes England will provide all agreed internal key audit documentation including, but not limited to, Internal Audit Strategy, internal audit plans, all final audit reports, outputs from quality assessment exercises and the Annual Internal Audit Report and Opinion as soon as possible to the Department via the Sponsorship team. The Homes England audit plan will be submitted to the Department following approval by the Homes England AO and the AAERC, normally by the end of May each year. Any change to this timetable is subject to agreement between the Department and Homes England.
- 38.4. Homes England will keep records of and prepare and forward to the Department an annual report on fraud and theft suffered by Homes England and notify the Department of any unusual or major incidents as soon as possible.
- 38.5. Homes England will liaise and co-ordinate assurance activity with that of the internal audit service provider for the Department. This will include the provision of key internal audit documents as outlined in 37.4 above. Furthermore, there will be a reciprocal provision of information to Homes England Internal Audit from the Department internal audit service provider where the parties agree that it is beneficial to the provision of Homes England assurance.
- 38.6. The Department's internal audit service provider has a right of access to all documents, including where the service is contracted out.

39. External audit

- 39.1. The Comptroller and Auditor General (C&AG) audits Homes England's accounts. Homes England passes the audited accounts to the Secretary of State who will lay the accounts together with the C&AG's report before Parliament. Homes England is responsible for ensuring the practical arrangements for laying the accounts are in place.
- 39.2. Homes England will publish the audited accounts on its website within two weeks of them being laid before Parliament.
- 39.3. In the event that Homes England has set up and controls subsidiary companies, Homes England will ensure that the appropriate audit arrangements under the relevant accounting rules and guidance are in place for those subsidiaries. The C&AG will consult the Department and Homes England on who, the National Audit Office or a commercial auditor, will undertake the audit(s) on their behalf, though the final decision rests with the C&AG.

- 39.4. The C&AG has a statutory right of access to relevant documents, including those, 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 Homes England.
- 39.5. The C&AG will share with the 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 Homes England.
- 39.6. The C&AG will consider requests from Departments and other relevant bodies to provide Regulatory Compliance Reports and other similar reports at the commencement of the audit. Consistent with the C&AG's independent status, the provision of such reports is entirely at the C&AG's discretion.
- 39.7. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which Homes England 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, Homes England will 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 will 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

40. Review of Homes England's status

40.1. Homes England will be reviewed every three years. The date of the next review will be in FY 22/23.

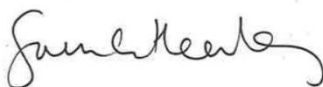
41. Arrangements in the event that Homes England is wound up

41.1. The Department will put in place arrangements to ensure the orderly winding up of Homes England. In particular it will ensure that the assets and liabilities of the Homes England 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 Department. To this end, the Department will:

- have regard to Cabinet Office guidance on winding up of ALBs;
- ensure that procedures are in place in the Homes England 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 Homes England'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 will be for the C&AG to lay the final accounts in Parliament, together with their report on the accounts; and
- 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 PAO should sign.

41.2. Homes England will provide the Department with full details of all agreements where Homes England or its successors have a right to receive a return, whether unconditional or contingent on events. It should also pass to the Department details of any other forms of claw-back due to Homes England and information related to any existing or potential liabilities, both quantifiable and unquantifiable.

Signed: **SARAH HEALEY**



Date:
(On behalf of the Department for Levelling-Up,
Housing and Communities)

Signed: **PETER DENTON**



Date:
(On behalf of Homes England)

Annex A – List of Government-wide corporate guidance and instructions

Homes England shall comply with the following non-exhaustive list of 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 (FRoM): 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

Public appointments

- The following are relevant where public bodies participate in public appointments processes.
 - 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 Homes England.
- 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%20Practice%20for%20Statistics%20sets%20the,produced%20by%20people%20and%20organisations%20that%20are%20trustworth>
y.
- Accounting Officer System Statements (AOSS are produced by departments with input from ALBs):
www.gov.uk/government/publications/accounting-officer-system-statements
- Government Functional Standards <https://www.gov.uk/government/collections/functional-standards>