



Department for  
Energy Security  
& Net Zero



# Salix Framework Agreement



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# Introduction and background

## 1. Purpose of document

- 1.1. This framework document (the “framework document”) has been agreed between the Department for Energy Security and Net Zero (hereby referred to as the Department or ‘the shareholder Department’) and Salix in accordance with HM Treasury’s handbook Managing Public Money (“MPM”) (as updated from time to time) and has been approved by HM Treasury.
- 1.2. The framework document sets out the broad governance framework within which Salix and the Department operate. It sets out Salix’s core responsibilities; describes the governance and accountability framework that applies between the roles of the Department and Salix and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.
- 1.3. The document does not convey any legal powers or responsibilities but both parties agree to operate within its terms.
- 1.4. References Salix include all its subsidiaries and joint ventures that are classified to the public sector and central government for national accounts purposes. If Salix establishes a subsidiary or joint venture, there shall be a document setting out the arrangements between it and Salix agreed with the Department. Such subsidiaries should only be established in line with appropriate delegations.
- 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 the Salix website and GOV.UK
- 1.6. This framework document should be reviewed regularly 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 within the Department. The latest date for review and updating of this document is 2026.
- 1.7. Where there is a conflict between the requirements of Salix under this Framework Document and the provisions of the Companies Act 2006 or Salix’s Articles of Association, the provisions of the Companies Act 2006 or Salix’s Articles of Association will prevail.
- 1.8. Additional detail on the working arrangements between the Department and Salix for the domestic retrofit and public sector decarbonisation schemes are set out in the delegated authority letters for those schemes.

## 2. Objectives

2.1 The Department and Salix share the common objective of delivering (i) administration and oversight of government finance to Public Sector Organisations, Housing Associations, Charities (where they are registered social housing providers) and, in specified circumstances, private homeowners and such other similar organisations to support the development and implementation of greenhouse gas reduction or equivalent projects and energy efficiency projects in order to decarbonise buildings and make homes more energy efficient and, further to that, (ii) empowering the public sector to decarbonise and boost cleaner renewable energy. To achieve this Salix and the Department will work together in recognition of each other's roles and areas of expertise, providing an effective environment for Salix to achieve its objectives through the promotion of partnership and trust and ensuring that Salix also supports the strategic aims and objective of the department and wider government as a whole.

## 3. Classification and ownership

3.1 Salix has been classified as a central government organisation by the ONS.

3.2 It has been administratively classified by the Cabinet Office as a non-departmental public body (NDPB).

3.3 Salix is wholly owned by the Department.

3.4 It is the parties' intention that the Department's interest in Salix shall satisfy the conditions set out in Regulation 12(1) of the PCR, and that the award of any public contract by the Department to Salix shall fall outside the scope of Part 2 of the PCR.

## Purposes, Aims and Duties

### 4. Purposes

4.1 Salix was established and incorporated on 9 March 2004 under the Companies Act 2006 as a company limited by guarantee. The business of Salix shall be the administration and oversight of government finance to Public Sector Organisations, Housing Associations, Charities (where they are registered social housing providers) and, in specified circumstances, private homeowners and such other similar organisations to support the development and implementation of greenhouse gas reduction or equivalent projects and energy efficiency projects.

### 5. Aims

5.1 Salix's strategic aims are to successfully:

- administer the funding of appropriate public sector decarbonisation projects and the achievement of net zero;
- act as the shareholder's Delivery Agent for selected schemes to support the installation of energy performance measures in domestic properties;
- become a highly trusted expert body in the administration of Government decarbonisation and energy efficiency programmes, from the perspective of both the Department and wider stakeholders;

together with such further aims as may be agreed from time to time between the Department and Salix.

# Governance and accountability

## 6 Governance and accountability

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

6.2 In particular (but without limitation), Salix should:

- comply with the principles and provisions of the Financial Reporting Council's UK Corporate Governance Code<sup>1</sup> ("the Code"; as amended and updated from time to time) to the extent appropriate to Salix or specify and explain any non-compliance in its annual report
- comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice to the extent appropriate to Salix
- comply with MPM
- in line with MPM have regard to the relevant Functional Standards<sup>2</sup> as appropriate and in particular those concerning Finance, Commercial and Counter Fraud
- take into account and comply with, the code of good practice and guidance set out in Annex A of this framework document, as they apply to central government companies

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

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<sup>1</sup> <https://www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code>

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



## Role of the department as shareholder

### 7 The Responsible Minister

7.1 The Secretary of State for the Department for Energy Security and Net Zero will account for Salix on all matters concerning Salix in Parliament.

### 8 Appointment of the Chief Executive

8.1 The Chief Executive Officer of Salix shall be appointed by the Board in consultation with the Department. The Board will, in consultation with the Department, set performance objectives and recommend the Chief Executive Officer remuneration terms linked to these performance objectives, which give due weight to the proper management and use and utilisation of public resources and are in accordance with the Government's "Guidance for Approval of Senior Pay".

### 9 Appointments to the Board

9.1 The Department shall have the following appointment and approval rights in relation to Salix's Board:

- the Department will appoint the Chair and other independent non-executive members of the Board. It is intended that these appointments will be made in accordance with the principles of the Governance Code for Public Appointments<sup>3</sup>
- the shareholder will nominate a senior employee of the shareholder representative as a non-executive director on the company's Board (the "shareholder director"). The shareholder director will make provision for the appointment of an alternate for such shareholder director (the "alternate shareholder director") as required
- the selection process for the Chief Executive Officer ("CEO") must be fair and open. This process also applies to proposals to appoint an interim CEO.

9.2 In order to perform his/her duties, the shareholder director may also attend meetings of any sub committees of the Board.

9.3 The shareholder director shall be entitled to receive any and all communications sent by or to Salix, or any director in relation to any actual or proposed decision of the Board including all notices of directors' meetings, proposed written resolutions of the directors and minutes of directors' meetings.

### 10 Shareholder reserved matters

10.1 The Department is answerable to Parliament for all matters concerning Salix.

10.2 The following are designated "shareholder reserved matters". Salix may consider and conduct operational business in relation to these matters in consultation with the Department. Salix shall require the agreement and prior written approval of the Department prior to concluding (i.e. entering into an agreement in respect of them or other form of "signing-off) any of the matters listed; the Department shall consult with Salix in reaching any decision on these matters: shareholder Department will

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<sup>3</sup> <https://www.gov.uk/government/publications/governance-code-for-public-appointments>

review and, if in agreement, give prior written approval to the following “shareholder reserved matters”:

- corporate business plan following development and updating by the Board, the Department will review and approve this annually
- matters regarding spending approvals, acquisitions, disposals, and joint ventures in line with delegations as set out in the delegation letter
- office location and accommodation
- such other matters as may be appropriate and proportionate, with Salix to be consulted before any further matters are added to this list.

10.3 At the reasonable request of the Department, the Directors shall:

- meet the Department or its representatives to discuss the affairs of Salix
- provide such information in relation to the affairs of Salix as the Department may reasonably require for the purpose of carrying out its role as shareholder

10.4 The Department is committed to giving the Board the freedom to operate Salix in line with the spirit of this framework document. Decisions on the day-to-day management of Salix will be taken by the Board in accordance with their statutory, regulatory, common law and fiduciary duties.

10.5 The Department has the right to determine Salix’s funding and partnership arrangements, including:

- from whom Salix may receive funding; and
- from whom Salix may not receive funding,

provided that, in no circumstances, may Salix receive funding from private organisations.

10.6 Salix may continue to enter into agreements with the Scottish and Welsh Governments and other devolved administrations, to deliver their net zero schemes. The Department will assess capacity impact on Salix where scope and size of existing schemes change to have a material impact on other existing and planned schemes delivered by Salix or their broader organisation objectives. To mitigate risks, the Department will continue to have regular open dialogue through quarterly meetings with both the Scottish and Welsh Governments and future plans and strategic direction can be raised at this forum. Where the Department considers there may be material risks to Salix’s capacity, the Department will share these at official level with the Scottish and Welsh Governments or other devolved administrations as applicable and discuss next steps and timing. The Department has the right to assess the impact on Salix’s capacity and organisational objectives and determine whether Salix may expand the scope and/or size of schemes for Scottish and Welsh Governments and other devolved administrations.

## 11 The Principal Accounting Officer (PAO)

11.1 The Principal Accounting Officer (PAO) is the Permanent Secretary of the Department.

### PAO’s specific accountabilities and responsibilities

11.2 The Principal Accounting Officer (PAO) of the Department designates the Chief Executive as Salix’s Accounting Officer (AO) and ensures that they are fully aware

of their responsibilities. The PAO issues a letter appointing the AO, setting out their responsibilities and delegated authorities.

- 11.3 The respective responsibilities of the PAO and AO for Salix are set out in Chapter 3 of MPM.
- 11.4 The PAO is accountable to Parliament for the issue of any grant-in-aid to Salix.
- 11.5 The PAO is also responsible for advising the responsible Minister on:
- an appropriate framework of objectives and targets for Salix in the light of the Department's wider strategic aims and priorities
  - an appropriate budget for Salix in the light of the Department's overall public expenditure priorities
  - how well Salix is achieving its strategic objectives and whether it is delivering value for money
  - via the Department sponsorship team, the exercise of the Ministers' statutory responsibilities concerning Salix as outlined above
- 11.6 The PAO via the sponsorship team is also responsible for ensuring arrangements are in place in order to:
- monitor Salix's activities and performance
  - address significant problems in Salix, making such interventions as are judged necessary
  - periodically carry out an assessment of the risks both to the Department and Salix's objectives and activities in line with the wider departmental risk assessment process
  - inform Salix of relevant government policy in a timely manner
  - bring ministerial or Departmental concerns about the activities of Salix to the full (company) board, and, as appropriate to the departmental board, requiring explanations and assurances that appropriate action has been taken

## 12 The role of the sponsorship team

- 12.1 The Department Salix Sponsorship Team is the primary contact between the Department and Salix. They are the main source of advice to the responsible Minister and the PAO on the discharge of their responsibilities in respect of Salix. They also support the PAO on their responsibilities toward Salix. Therefore, Salix should engage with the Sponsorship Team as the initial point of contact between Salix and the Department. The responsible senior civil servant for this relationship is the Departmental Senior Responsible Officer.
- 12.2 The Department's Salix Sponsorship Team will:
- establish and maintain appropriate and effective corporate governance foundations
  - promote effective objectives, business planning and performance against the Operating Plan
  - promote the organisational capability of Salix to deliver against the agreed plans, targets and budgets
  - promote effective leadership (high quality boards and senior management)
  - promote effective relationships between the, policy sponsor and Salix

## 13 Resolution of disputes between Salix and Department as shareholder

- 13.1 Any disputes between the Department and Salix will be resolved following the agreed dispute resolution process, as outlined below.
- 13.2 A dispute is an issue between the Department and Salix which is unresolved despite attempts made at working level. Either party may declare a dispute (Stage 1) by specifying in writing - by email between the Department SRO and Salix CEO/AO - the issue in dispute, and the resolution sought. Following such declaration:
- 13.2.1 The Department DG and Salix Chair are briefed
  - 13.2.2 Further urgent efforts are made at working level to resolve dispute within 28 days
  - 13.2.3 If both parties agree, the timeline could be extended.
- 13.3 If the dispute remains unresolved, it moves to Stage 2:
- 13.3.1 the issue is escalated to the Department DG /Salix Chair and AO;
  - 13.3.2 The Department PAO and the responsible Minister are briefed;
  - 13.3.3 The Accounting Officers may inform the NAO as appropriate; urgent efforts are made by both sides over the next 28 days to resolve the dispute. Time shall be considered of the essence.
  - 13.3.4 If both parties agree, the timeline could be extended.
- 13.4 If the dispute remains unresolved, it moves to Stage 3:
- 13.4.1 The Department PAO will be able to consider the dispute and may decide to appoint a third party (such as a Department Board Non-Executive member) to investigate, and report back with any findings and recommendations to the Department PAO and Salix Chair.
  - 13.4.2 No deadline is set for concluding this process, but time shall be considered of the essence. Any review should be carried out with urgency, aiming to deliver recommendations within 3 months of the dispute having been declared.
- 13.5 If the dispute remains unresolved it, moves to Stage 4. The responsible Minister writes to Salix Chair:
- 13.5.1 clarifying the Government's policy priorities, and
  - 13.5.2 setting out the terms of any Ministerial Direction. This will close the dispute.

## 14 Information requests

14.1 Where a request for information is received by either party under any applicable law including the Freedom of Information Act 2000, the Data Protection Act 2018, the UK General Data Protection Regulation and the Environmental Information Regulations 2004, 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. In respect of queries relating to scheme's data, the Department will be the ultimate arbiter of disclosure queries.

## 15 Reporting on legal risk and litigation

15.1 Salix shall provide an update to the Department on the existence of any active litigation and any threatened or reasonably anticipated litigation. Salix will only be required to notify to the extent relevant (i.e. if there is any active litigation threatened or anticipated). The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the Department in a timely manner.

15.2 In respect of each substantial piece of litigation involving Salix and non-parties to this agreement, the parties will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of the litigation and the protection of legally privileged information transmitted to the Department to facilitate this. Until such time as a protocol is agreed, the parties 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 legal privilege
- circulation of privileged information within government occurs only as necessary

## Salix governance structure

### 16 Responsibilities of Salix's Chief Executive as accounting officer

16.1 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 Salix. In addition, they should ensure that Salix as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 of MPM. These responsibilities include the below and those that are set in the AO appointment letter issued by the PAO of the shareholder department.

### 17 Responsibilities for accounting to Parliament and the public

17.1 Responsibilities to Parliament and the public include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts
- ensuring that effective procedures for handling complaints about Salix are established and made widely known within Salix
- 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:
  - their fiduciary duties under the Companies Act
  - any governing legislation
  - this framework document,
  - any delegation letter issued to body
  - any elements of any settlement letter issued to the Department that is relevant to the operation of Salix
  - any separate settlement letter that is issued to Salix from the shareholder Department
- ensuring they have appropriate internal mechanisms for monitoring, governance and external reporting regarding non-compliance with any conditions arising from the above documents
- giving evidence, normally with the PAO, when summoned before the PAC on Salix's stewardship of public funds

## 18 Responsibilities to the Department for Energy Security and Net Zero

### 18.1 Responsibilities to the Department include:

- establishing, in agreement with the Department, Salix's corporate and business plans in the light of the department's wider strategic aims and agreed priorities
- informing the Department of progress in helping to achieve the Department's policy objectives and in demonstrating how resources are being used to achieve those objectives
- 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

## 19 Responsibilities to the Board

### 19.1 The Chief Executive is responsible for:

- advising the Board on the discharge of their responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time
- advising the Board on Salix's performance compared with its aims and objectives
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed

## 20 Managing conflicts

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

20.2 Salix's CEO must take care that their personal legal responsibilities as AO do not conflict with their duties as a board member. In particular, the AO should vote against any proposal which appears to cause such a conflict, it is not sufficient to abstain, the AO should also register in the minutes of any Board meeting their objection to any proposal that conflicts with their duties as AO.

20.3 If the Chair or Board of Salix is minded to instruct its AO to carry out a course inconsistent with their duties as AO, which may include such as where the AO reasonably considers would, infringe the requirements of propriety or regularity or does not represent prudent or economical administration, is not efficient or effective, is of questionable feasibility, or is unethical, then the AO should make their reservations clear, preferably in writing. If the Board is still minded to proceed, the Salix AO should then:

- ask the AO of the Department to consider intervening to resolve the difference of view, preferably in writing

- if the Board's decision stands, seek its written direction to carry it out, asking the Department to inform HM Treasury
- proceed to implement without delay
- follow the routine in paragraph 3.6.6 of MPM

## 21 The Board

### Composition of the Board

- 21.1 Salix will have a board in line with good standards of corporate governance and as set out in its establishing statute and in guidance as set out in Annex A. The role of the Board shall be to run Salix, and to deliver the objectives, in accordance with the purposes as set out above, their statutory, regulatory, common law duties and their responsibilities under this framework document. Detailed responsibilities of the Board shall be set out in the Board terms of reference. Remuneration of the Board will be disclosed in line with the guidance in Government Financial Reporting Manual (FReM)<sup>4</sup>
- 21.2 The Board will consist of a chairperson, together with the Chief Executive, Director of Finance and at least two further non-executive members. The Department and the Board shall endeavour to ensure that that have the Board has a balance of skills and experience appropriate to directing Salix's business. For Salix there should be members who have experience of both public and private sector experience. Specific skills and experience required across the Board include i) of operational delivery, especially of major capital projects, ii) finance and risk, ii) corporate services such as HR, marketing and technology, iv) understanding of the management of public money and role of the Parliamentary Accounts Committee and Parliamentary scrutiny. This will include as an executive and voting board member an appropriately qualified finance director as described in Annex 4.1 of MPM. The Board should include a majority of independent non-executive members to ensure that executive members are supported and constructively challenged in their role.
- 21.3 All appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint Boards which include a balance of skills and backgrounds.

### Committees of the Board

- 21.4 The Board may set up such committees as necessary for it to fulfil its functions. As is detailed below at a minimum this should include an Audit and Risk Committee chaired by an independent and appropriately qualified non-executive member of the Board. The terms of reference of the Audit and Risk Committee may permit the appointment of specialist advisers on a temporary basis.
- 21.5 While the Board may make use of committees to assist its consideration of issues such as appointments, succession, audit, risk and remuneration, it retains responsibility for and endorses, final decisions in all of these areas. The Chair

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<sup>4</sup> <https://www.gov.uk/government/collections/government-financial-reporting-manual-frem>



should ensure that sufficient time is allowed at the Board for committees to report, where appropriate, on the nature and content of discussion, on recommendations, and on actions to be taken.

21.6 Where there is disagreement between the relevant committee and the Board, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreement cannot be resolved, the committee concerned should have the right to report the issue to the Department, PAO and responsible Minister. They may also seek to ensure the disagreement or concern is reflected as part of the report on its activities in the annual report.

21.7 The Chair should ensure board committees are properly structured with appropriate terms of reference. The terms of each committee should set out its responsibilities and the authority delegated to it by the Board. The Chair should ensure, where practical, 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.

## Duties of the Board

21.8 The Board is specifically responsible for:

- establishing and taking forward the strategic aims and objectives of Salix consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State
- providing effective leadership of Salix 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 Salix to meet its objectives
- reviewing management performance
- ensuring that the Board receives and reviews regular financial and management information concerning the management of Salix
- ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of Salix's Board or on the attainability of its targets, and determining the steps needed to deal with such changes and where appropriate bringing such matters to the attention of the responsible Minister and PAO via the executive team, Department's Salix 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 guidance issued by the Department
- ensuring that as part of the above compliance they are familiar with:
  - this framework document
  - any delegation letter issued to body.
  - any elements of any settlement letter issued to the Department that is relevant to the operation of Salix
  - any separate settlement letter that is issued to Salix from the Department

- that they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding any conditions arising from the above documents and ensure that the Chief Executive and Salix as a whole act in accordance with their obligations under the above documents.
- demonstrating high standards of corporate governance at all times, including by using the independent audit committee to help the Board to address key financial and other risks
- appointing a Chief Executive and, in consultation with the department, set performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use and utilisation of public resources
- putting in place mechanisms for independent appraisal and annual evaluation of the performance of the chairperson by the independent non-executives, taking into account the views of relevant stakeholders. The outcome of that evaluation should be made available to the Responsible Minister
- determining all such other things which the Board considers ancillary or conducive to the attainment or fulfilment by Salix of its objectives

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

21.10 The Board should make a strategic choice about the style, shape and quality of risk management and should lead the assessment and management of opportunity and risk. The Board should ensure that effective arrangements are in place to provide assurance over the design and operation of risk management, governance and internal control in line with the Management of Risk – Principles and Concepts (The Orange Book)<sup>5</sup>. The Board must set up an Audit and Risk Assurance Committee chaired by an independent and appropriately qualified non-executive member to provide independent advice and ensure that the department's Audit and Risk Assurance Committee are provided with routine assurances with escalation of any significant limitations or concerns]. The Board is expected to assure itself of the adequacy and effectiveness of the risk management framework and the operation of internal control.

## 22 The Chair's role and responsibilities

22.1 The Chair is responsible for leading the Board in the delivery of its responsibilities. Such responsibility should be exercised in the light of their duties and responsibilities as set out in their appointment letter, the priorities in the Chair's letter issued to them by the Department (usually updated annually), the statutory authority governing Salix, this document and the documents and guidance referred to within this document.

22.2 Communications between Salix's Board and the responsible minister should normally only be through the Chair.

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<sup>5</sup> <https://www.gov.uk/government/publications/orange-book>

22.3 The Chair is bound by the Code of Conduct for Board Members of Public Bodies<sup>6</sup> which covers conduct in the role and includes the Nolan Principles of Public Life<sup>7</sup>.

22.4 In addition, the Chair is responsible for:

- ensuring including by monitoring and engaging with appropriate governance arrangements that Salix's affairs are conducted with probity
- ensuring that policies and actions support the responsible Minister's wider strategic policies and where appropriate, these policies and actions should be clearly communicated and disseminated throughout Salix

22.5 The Chair has the following leadership responsibilities:

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

22.6 The Chair also has an obligation to ensure that:

- the work of the Board and its members are reviewed and are working effectively including ongoing assessment of the performance of individual board members with a formal annual evaluation and more in-depth assessments of the performance of individual board members when being considered for re-appointment
- that in conducting assessments that the view of relevant stakeholders including employees and the Department are sought and considered
- that the Board has a balance of skills appropriate to directing Salix's business, and that all directors including the Chair and Chief Executive continually update their skills, knowledge and familiarity with Salix 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 management and the requirements of board membership within the public sector
- board members are fully briefed on terms of appointment, duties, rights and responsibilities
- they, together with the other board members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice
- the responsible minister is advised of Salix's needs when board vacancies arise
- there is a Board Operating Framework in place setting out the role and responsibilities of the Board consistent with the Government Code of Good Practice for Corporate Governance<sup>8</sup>

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<sup>6</sup> <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>

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

<sup>8</sup> <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

- 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<sup>9</sup>

## 23 Individual Board members' responsibilities

### 23.1 Individual Board members should:

- comply at all times with the Code of Conduct for Board Members of Public Bodies, which covers conduct in the role and includes the Nolan Principles of Public Life as well as rules relating to the use of public funds and to conflicts of interest
- demonstrate adherence to the 12 Principles of Governance for all Public Body Non-Executive Directors<sup>10</sup> as appropriate and not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations
- comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments
- act in good faith and in the best interests of Salix
- 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

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<sup>9</sup> <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>

<sup>10</sup> <https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-neds>

## Management and financial responsibilities and controls

### 24 Delegated authorities

- 24.1 Salix's delegated authorities are set out in the financial delegation letter. This delegation letter may be updated and superseded by later versions which may be issued by the Department in agreement with HM Treasury.
- 24.2 In line with MPM Annex 2.2 these delegations will be reviewed on an annual basis.
- 24.3 Salix shall obtain the Department's and where appropriate HM Treasury's prior written approval before:
- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in Salix's annual budget as approved by the Department
  - incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications
  - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the department
  - making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required
  - carrying out policies that go against the principles, rules, guidance and advice in MPM

### 25 Spending authority

- 25.1 Once the budget has been approved by the Department, Salix shall have authority to incur expenditure approved in the budget without further reference to the Department, on the following conditions:
- Salix shall comply with the delegations set out in the delegation letter. These delegations shall not be altered without the prior agreement of the Department and as agreed by HM Treasury and Cabinet Office as appropriate
  - Salix 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
  - Salix shall provide the Department with such information about its operations, performance, individual projects or other expenditure as the Department may reasonably require.

### 26 Banking and managing cash

- 26.1 Salix must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking).
- 26.2 Salix should only hold money outside Government Banking Service accounts where a good business case can be made for doing so and HM Treasury consent is

required for each account to be established. Only commercial banks which are members of relevant UK clearing bodies may be considered for this purpose.

26.3 Commercial Accounts where approved should be operated in line with the principles as set out in MPM.

26.4 The AO is responsible for ensuring Salix has a banking policy as set out in MPM and ensuring that policy is complied with.

## 27 Procurement

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

27.2 Salix shall establish its procurement policies and document these in a Procurement Policy and Procedures Manual.

27.3 In procurement cases where Salix is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the Department.

27.4 Goods, services, and works should be acquired by competition. Proposals to let single-tender or restricted contracts shall be limited and exceptional, and a quarterly report explaining those exceptions should be sent to the department.

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

27.6 Salix shall:

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

27.7 Salix shall comply with the Commercial<sup>11</sup> and Grants Standards<sup>12</sup>. 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.

## 28 Risk management

28.1 Salix 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

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<sup>11</sup> <https://www.gov.uk/government/publications/commercial-operating-standards-for-government>

<sup>12</sup> <https://www.gov.uk/government/publications/grants-standards>

governance, and develop a risk management strategy, in accordance with the HM Treasury guidance Management of Risk: Principles and Concepts.

## 29 Counter fraud and theft

- 29.1 Salix should adopt and implement policies and practices to safeguard itself against fraud and theft.
- 29.2 Salix should act in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set in in MPM Annex 4.9 and the Counter Fraud Functional Standard<sup>13</sup>. 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 Salix should keep records of and prepare and forward to the department an annual report on fraud and theft suffered by Salix and notify the Department of any unusual or major incidents as soon as possible. Salix 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 Staff

### Broad responsibilities for staff

- 30.1 Within the arrangements approved by the Department and the Secretary of State, Salix will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:
- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit; there is no discrimination against employees with protected characteristics under the Equality Act 2010
  - 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 Salix's performance measurement systems are reviewed from time to time
  - its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve Salix's objectives
  - proper consultation with staff takes place on key issues affecting them
  - adequate grievance and disciplinary procedures are in place
  - whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place
  - a code of conduct for staff is in place based on the Cabinet Office's Model Code for Staff of Executive Non-departmental Public Bodies

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<sup>13</sup> <https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>

## Staff costs

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

## Pay and conditions of service

30.3 Salix's staff are subject to general levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by the Department. The Salix Board can make representations to the Department in respect of these. Salix will ensure that employment-related legislation is appropriately implemented.

30.4 Staff terms and conditions should be set out in an Employee Handbook, including in relation to pensions, redundancy and compensation, which should be provided to the Department together with subsequent amendments.

30.5 Salix shall abide by public sector pay controls, including the relevant approvals process dependent on the organisations classification as detailed in the Senior Pay Guidance<sup>14</sup> and the Public Sector Pay and Terms Guidance<sup>15</sup>.

30.6 Salix shall, following consultation with staff, operate a performance-related pay scheme that shall form part of the annual aggregate pay budget approved by the Department where relevant with due regard to the Senior Pay Guidance.

## Board Members' Expenses

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

## 31 Pensions, redundancy and compensation

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

31.2 Salix's staff, subject to meeting eligibility requirements, shall be eligible for a pension provided by its own scheme. Staff may opt out of the occupational pension scheme provided by Salix, but that employers' contribution to any personal pension arrangement, including stakeholder pension shall normally be limited to the national insurance rebate level.

31.3 Any proposal by Salix to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the Department. Proposals on severance must comply with the rules in chapter 4 of MPM.

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<sup>14</sup> <https://www.gov.uk/government/publications/senior-civil-service-pay-and-reward>

<sup>15</sup> <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>



## Business plans, financial reporting and management information

### 32 Corporate and business plans

- 32.1 By 31 March, Salix shall submit annually to the Department a draft of the corporate plan covering three years ahead. Salix shall agree with the Department the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect Salix statutory and/or other duties, and, within those duties, the priorities set from time to time by the responsible Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how Salix contributes to the achievement of the Department's medium-term plan and priorities and aligned performance metrics and milestones.
- 32.2 The first year of the corporate plan, amplified as necessary, shall form the business plan. The business plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the department. Subject to any commercial considerations, the corporate and business plans should be published by Salix on its website and separately be made available to staff on request.
- 32.3 The following key matters should be included in the business plan:
- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives
  - key non-financial performance targets
  - a review of performance in the preceding financial year, together with comparable outturns for the previous two to five years, and an estimate of performance in the current year
  - alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast
  - other matters as agreed between the Department and Salix
- 32.4 The corporate plan should take a longer-term view, focussing on the overall direction of the organisation, longer term strategic aims and resourcing plans and plans for improvement, and reflections on performance over time.

### 33 Budgeting procedures

- 33.1 Each year, in the light of decisions by the Department on the updated draft corporate plan, the Department will send to Salix by 31 March:
- a formal statement of the annual budgetary provision allocated by the Department in the light of competing priorities across the Department and of any forecast income approved by the Department
  - a statement of any planned change in policies affecting Salix
- 33.2 The approved annual business plan will take account both of approved funding provision and any forecast receipts It will include a budget of estimated payments

and receipts together with a profile of expected expenditure and of draw-down of any Departmental funding and/or other income over the year. These elements form part of the approved business plan for the year in question.

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

- 34.1 Any grant-in-aid provided by the department for the year in question will be voted in the department's Supply Estimate and be subject to Parliamentary control.
- 34.2 The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of need. Salix will comply with the general principle, that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of Salix. 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 In the event that the Department provides Salix separate grants for specific (ring-fenced) purposes, it would issue the grant as and when Salix needed it on the basis of a written request. Salix would provide evidence that the grant was used for the purposes authorised by the Department. shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.
- 34.4 It is acknowledged that the terms of the existing funding agreements and awards (as applicable), pre-dating this Framework Document, continue to be binding on Salix, unless otherwise agreed between Salix and the relevant parties.

## 35 Annual report and accounts

- 35.1 Salix's Board must publish an annual report of its activities together with its audited accounts after the end of each financial year. Salix shall provide the Department its finalised (audited) accounts by 20 July each year in order for the accounts to be consolidated within the Department's. A draft of the report should be submitted to the Department two weeks before the proposed publication date. The accounts should be prepared in accordance with the relevant statutes in particular the Companies Act 2006 and specific accounts direction issued by the Department as well as HM Treasury's Financial Reporting Manual (FRoM).
- 35.2 The annual 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 an NDPB<sup>16</sup>
  - outline main activities and performance during the previous financial year and set out in summary form forward plans

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<sup>16</sup> <https://www.gov.uk/government/publications/government-financial-reporting-manual-2020-21>

- 35.3 Information on performance against key financial targets is included within the annual report and subject to the auditor's consistency opinion. The report and accounts shall be laid before Parliament and made available on Salix's website, in accordance with the guidance in the FReM.
- 35.4 If Salix wishes to publish a document additional to its annual report and accounts that contains supplementary material including summary financial statements, these should comply with the requirements of sections 426 and 426A of the Companies Act 2006. The summary data must not be published in advance of the full annual report and accounts being laid before Parliament as to do so would be a breach of parliamentary privilege.
- 35.5 If, due to exceptional circumstances, there is a conflict between the requirements of the Companies Act and the FReM, the Companies Act takes precedence. Companies should discuss the situation in the first instance with the Department and HM Treasury.

## 36 Reporting performance to the Department

- 36.1 Salix shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans.
- 36.2 Salix shall inform the Department of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver ministers' policies, and the achievement of key objectives regularly.
- 36.3 Salix's performance shall be formally reviewed by the Department on a quarterly basis.
- 36.4 The responsible Minister, or a suitable deputy, will meet the Chair once a year.
- 36.5 The relevant Directors of the Department will meet with the Chair quarterly.

## 37 Information Sharing

- 37.1 The Department has the right of access to all company records and personnel for any reasonable purpose including, for example, shareholder audits and operational investigations.
- 37.2 The Department may on giving reasonable notice to Salix, have full access during normal office hours to Salix's books and records, the management of the Company and personnel. In relation to personnel, any such contact shall be subject to the consent of the management (not to be unreasonably withheld).
- 37.3 The Department has the right on giving reasonable notice to Salix to conduct an audit of Salix at any time.

- 37.4 The Department and HM Treasury may request the sharing of data held by Salix in such a manner as set out in the Data Protection Act, any applicable law or guidance and any data sharing agreements in force. This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.
- 37.5 For most purposes, the Department will own and control personal data arising in respect of the schemes with Salix acting as processor. Salix will control data relating to its own employees. These are general positions which may be diverged from where appropriate in the context. Data Sharing Agreements between Salix and the Department set out specific terms in respect of the schemes.
- 37.6 Salix shall provide a monthly management information report to support and assist the Department in the preparation of Ministerial briefings and routine budget management practices. The Department may make other ad hoc requests for information related to the performance of specific funded projects and organisations but will endeavour to provide as much notice as possible. This requirement will extend to timely project specific quality briefing and support for ministerial visits, such requests should be prioritised. Further details on the performance management, reporting and governance expectations for specific schemes are outlined in their respective delegation authority letters.
- 37.7 As a minimum, Salix shall provide the Department with information monthly that will enable the department satisfactorily to monitor:
- Salix'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
- 37.8 Salix shall actively promote its funds in line with the agreed aims and fund eligibility criteria. All press releases or relevant announcements associated with the fund must reference the Department and be approved by the Department prior to publication where possible.
- 37.9 The Department shall have the right to review and approve any proposed press release to be made by Salix which makes reference to the Department and/or government departments. No such proposed press release shall be issued by Salix without the prior approval of the department that is referred to in that press release.

## Audit

### 38 Internal audit

38.1 Salix shall:

- establish and maintain arrangements for internal audit
- ensure that any arrangements for internal audit are in accordance with the Public Sector Internal Audit Standards (PSIAS)<sup>17</sup> as adopted by HM Treasury
- set up an audit committee of its board in accordance with the Code of Good Practice for Corporate Governance and the Audit and Risk Assurance Committee Handbook<sup>18</sup>,
- forward the audit strategy, periodic audit plans and annual audit report, including the Salix Head of Internal Audit opinion on risk management, control and governance as soon as possible to the Department
- keep records of and prepare and forward to the Department an annual report on fraud and theft suffered by Salix and notify the Department of any unusual or major incidents as soon as possible
- 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 Salix

### 39 External audit

39.1 The Comptroller & Auditor General (C&AG) audits [the company's] Salix's annual accounts and lays them before Parliament, together with their report.

39.2 In the event that Salix has set up and controls subsidiary companies, Salix will, in the light of the provisions in the Companies Act 2006, ensure that the C&AG has the option to be appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts.

39.3 The C&AG:

- will consult the Department and Salix on whom – the NAO or a commercial auditor – shall undertake the audit(s) on their behalf, though the final decision rests with the C&AG
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from Salix
- 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 Salix
- will consider requests from departments and other relevant bodies to provide regulatory compliance reports and other similar reports at the commencement

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<sup>17</sup> <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

<sup>18</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/512760/PU1934\\_Audit\\_committee\\_handbook.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/512760/PU1934_Audit_committee_handbook.pdf)

of the audit. Consistent with the C&AG's independent status, the provision of such reports is entirely at the C&AG's discretion

39.4 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which Salix 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, Salix shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

39.5 The C&AG should be offered first right of refusal to audit central government company's Annual Report and Accounts. Should the NAO not agree to audit the accounts, the framework document should be drafted to reflect appropriate arrangements for the appointment of an independent auditor. Usual practice under these circumstances should be the Company Audit & Risk Committee (ARC) is responsible for appointing a suitably qualified and experienced external auditor this may require the agreement of the Department. When this occurs Salix should inform the Department and the NAO of the appointment of an external auditor. The ARC should periodically review the company's auditors in line with best practice. The drafting should also reflect that the ARC should work with the company executive to provide the Department, and other relevant bodies, with regulatory compliance reports and any other reports deemed appropriate at the commencement of the audit and as compatible with the independent auditor's role.

## Reviews and winding up arrangements

### 40 Review of company's status

40.1 Salix will be reviewed as part of the wider Public Bodies Reviews programme, at a time determined by the department's ministers and their PAO. The date of the next review will be in early 2024.

### 41 Arrangements in the event that the company is wound up

41.1 The Department shall put in place arrangements to ensure the orderly winding up of Salix. In particular it should ensure that the assets and liabilities of the Company 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.) It should ensure that all the employment contractual commitments including redundancy payments are met and any funding from Scotland or Wales is returned to the relevant government in accordance with Salix's respective agreements with them. To this end, the Department shall:

- have regard to Cabinet Office guidance on winding up of ALBs<sup>19</sup>
- ensure that procedures are in place in Salix 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 Salix's assets and liabilities
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that, for non-Crown bodies funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with their report on the accounts
- arrange for the most appropriate person to sign the closing accounts. In the event that another entity takes on the role, responsibilities, assets and liabilities, the succeeding entity AO should sign the closing accounts. In the event that the department inherits the role, responsibilities, assets and liabilities, the Department's AO should sign.

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

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<sup>19</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/690952/Public\\_Bodies\\_-\\_a\\_guide\\_for\\_departments\\_-\\_chapter\\_10.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690952/Public_Bodies_-_a_guide_for_departments_-_chapter_10.pdf)

## Annex A: Guidance

Salix shall comply with the following guidance, documents and instructions:

### Corporate governance

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

### Financial management and reporting

- Managing Public Money (MPM): <https://www.gov.uk/government/publications/managing-public-money>
- Government Financial Reporting Manual (FReM):  
[www.gov.uk/government/collections/government-financial-reporting-manual-frem](http://www.gov.uk/government/collections/government-financial-reporting-manual-frem)
- Relevant Dear Accounting Officer (DAO) letters: [www.gov.uk/government/collections/dao-letters](http://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](http://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](http://www.gov.uk/government/publications/public-sector-internal-audit-standards)



- HM Treasury approval processes for Major Projects above delegated limits: <https://www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects>
- The Government cyber-security strategy and cyber security guidance: <https://www.gov.uk/government/publications/national-cyber-strategy-2022/national-cyber-security-strategy-2022> and <https://www.gov.uk/government/collections/cyber-security-guidance-for-business>

## Commercial management

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

## Public appointments

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](http://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](http://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](http://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](http://www.gov.uk/guidance/equality-act-2010-guidance)

## General

- Freedom of Information Act guidance and instructions: [www.legislation.gov.uk/ukpga/2000/36/contents](http://www.legislation.gov.uk/ukpga/2000/36/contents) and <https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration: <https://www.ombudsman.org.uk/about-us/our-principles>
- Other relevant instructions and guidance issued by the central Departments (Cabinet Office and HM Treasury)
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and are relevant to [the ALB].
- Guidance from the Public Bodies team in Cabinet Office: [www.gov.uk/government/publications/public-bodies-information-and-guidance](http://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](http://www.gov.uk/government/organisations/infrastructure-and-projects-authority)
- The Government Digital Service: [www.gov.uk/government/organisations/government-digital-service](http://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](http://www.gov.uk/government/collections/fraud-error-debt-and-grants-function) and [www.gov.uk/government/publications/grants-standards](http://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%20trustworthy.>
- Accounting Officer System Statements (AOSS are produced by departments with input from ALBs): [www.gov.uk/government/publications/accounting-officer-system-statements](http://www.gov.uk/government/publications/accounting-officer-system-statements)
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