



Department for
Business & Trade



Fair Work
Agency

Fair Work Agency: framework agreement

Executive Agency

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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 Business and Trade (“DBT”) and the Fair Work Agency (“FWA” or “the Agency”) 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 the FWA and DBT operate. It sets out the FWA’s core responsibilities; describes the governance and accountability framework that applies between the roles of DBT and FWA; 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 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 www.gov.uk website.
- 1.5 This Framework Document applies from establishment and will be reviewed after the first year of operation and thereafter at least every three years unless there are exceptional reasons which render this inappropriate and which have been agreed with HM Treasury and the Principal Accounting Officer of the sponsor department. The latest date for review and updating of this document is September 2027.

2. Objectives

- 2.1 DBT and the FWA share the common objective of enhancing the protection of workers’ employment rights and providing better support to businesses through a unified enforcement body. The FWA aims to enhance and simplify the experience for both workers and businesses seeking information or enforcement action, while tackling labour market abuse and ensuring fair and lawful treatment for workers across the UK economy.
- 2.2 By establishing a unified enforcement body, the FWA will improve organisational efficiency and overcome the current fragmentation where enforcement bodies operate with separate leadership teams, distinct strategies, different operational processes, and take independent resourcing decisions.
- 2.3 To achieve these objectives, the FWA and DBT will work together recognising each other’s roles and areas of expertise, providing an effective environment for the FWA to achieve its aims through the promotion of partnership and trust. This collaboration will ensure that the FWA supports the strategic aims and objectives of DBT and wider government as a whole.
- 2.4 The FWA will seek compliance with the relevant labour market legislation set out in Part 1 of Schedule 7 to the Employment Rights Act 2025 to ensure individuals receive their statutory entitlements and businesses are held to the same set of legal standards. Further details on how the FWA will achieve this and its effectiveness in doing so will be set out in the three-year enforcement strategies required under section 94 and annual reports required under section 95.
- 2.5 The FWA will engage with the Scottish and Welsh Governments where appropriate to deliver its duties. Employment rights enforcement is a transferred matter under the Northern Ireland devolution settlement.
- 2.6 The Department for Agriculture, Environment and Rural Affairs (DAERA) is the Northern Ireland department with policy responsibility for gangmaster licensing. DAERA previously exercised its power, under Schedule 2 to the GLA 2004, to make arrangements with the GLAA for officers to act as enforcement officers in Northern Ireland. With the abolition of the GLAA and creation of the Fair Work Agency, this arrangement will cease to exist. Accordingly, the Secretary of State (whose enforcement functions are carried out in practice by the FWA as an Executive Agency) is taking on GLAA functions, so the officers acting on behalf of DAERA to enforce relevant GLA 2004 provisions in Northern Ireland will be enforcement officers of the FWA from 7th April 2026.

2.7 In addition to this framework agreement, we will set out practical arrangements for the enforcement of relevant GLA 2004 provisions and details of DAERA's agreement to fund these two enforcement officers in a separate document. We envisage this agreement would take the form of a Service Level Agreement (SLA) between the FWA and DAERA. We will do this as soon as possible after the establishment of the FWA on 7 April 2026 and review this one year after the FWA has been established.

3. Classification

3.1 The FWA is expected to be classified as a central government organisation by the ONS/HM Treasury Classifications Team.

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

3.3 The FWA has been established by DBT, and as an Executive Agency, does not have a separate legal personality from DBT.

Purposes and duties

4. Purposes

4.1 The FWA was established on 7 April 2026, bringing together the functions previously delivered by the Gangmasters and Labour Abuse Authority (GLAA), the Employment Agency Standards Inspectorate (EASI), and the Director of Labour Market Enforcement (DLME). While the FWA assumes statutory responsibility for National Minimum Wage enforcement from its establishment date, it will contract these enforcement activities back to HMRC for the first operational year under a formal agency agreement. This transitional arrangement will ensure continuity of enforcement, agreed by an SLA, while the FWA develops its operational model.

4.2 The purpose of the FWA is to protect workers rights and create a level playing field for businesses by bringing together previously fragmented enforcement functions. It investigates violations, recovers unpaid wages, supports compliant employers, and acts against those who breach employment laws, serving as a single point of contact for both workers and employers. The FWA assumes the statutory functions, powers, rights, and liabilities of its predecessor bodies from its establishment date. The Agency provides continuity of enforcement while delivering enhanced protection for workers through its unified approach.

4.3 The Agency operates under a statutory framework deriving from the Employment Rights Act 2025 and carries out functions under a range of associated labour market legislation. The Secretary of State has the power to add to the list of relevant labour market legislation through regulations, providing flexibility to bring additional enactments within the Agency's enforcement remit in the future. The Fair Work Agency enforces provisions in the Acts listed below as set out in Part 1 of Schedule 7 to the Employment Rights Act 2025:

- National Minimum Wage Act 1998
- Employment Tribunals Act 1996
- Employment Agencies Act 1973
- Gangmasters (Licensing) Act 2004
- Fraud Act 2006
- Modern Slavery Act 2015
- Social Security Contributions and Benefits Act 1992*
- Social Security Administration Act 1992*
- Social Security Contributions and Benefits (Northern Ireland) Act 1992*
- Social Security Administration (Northern Ireland) Act 1992*
- Working Time Regulations 1998*
- Employment Rights Act 2025*

*As part of the phased implementation approach, enforcement of provisions in these Acts will commence at a later date.

4.4 In accordance with the phased implementation approach, the Secretary of State will determine the precise timing for the commencement of enforcement responsibilities for additional legislation listed in Part 1 of Schedule 7 as part of the strategic implementation of the FWA's expanded remit beyond its initial establishment phase.

5. Powers and duties

- 5.1 The FWA will create a unified enforcement body by consolidating existing state enforcement functions and progressively expanding its remit to cover a wider range of employment rights. Its primary strategic aim is to create a single point of contact for both workers and employers, and to promote compliance while strengthening current enforcement efforts on non-compliant and exploitative employers.
- 5.2 To deliver a holistic service to both employers and workers on employment rights compliance, the Agency will work closely with other relevant bodies, in particular Acas, to ensure that users of all services know the roles and functions of the different organisations.
- 5.3 As an Executive Agency of the Department for Business and Trade, the FWA will act on behalf of the Secretary of State to deliver their function of enforcing requirements contained in the relevant labour market legislation in Part 1 of Schedule 7 to the Employment Rights Act 2025. The FWA's powers and duties stem from provisions in Part 5 of Employment Rights Act 2025 and Schedules 8 to 11.
- 5.4 The FWA's functions and duties are to:
- enforce employment and labour market legislation to protect workers' rights
 - provide a single point of contact for workers and employers on relevant employment rights
 - promote compliance through education and engagement activities
 - investigate employers for non-compliance with employment rights legislation
 - provide state regulation of the Recruitment Sector
 - apply appropriate and proportionate sanctions to non-compliant employers
 - prevent perpetrators from exploiting workers and deter exploiters from reoffending
 - act as a First Responder Organisation for the purpose of referring potential victims of modern slavery into the National Referral Mechanism
 - support vulnerable workers in enforcing their rights
 - conduct intelligence-led operations in high-risk sectors and where high-risk intelligence is received on cases falling outside of high-risk sectors
 - recover unpaid wages and entitlements for workers
 - lead strategic thinking and insight on labour market enforcement using stakeholder engagement including through the Advisory Board
 - develop and implement strategic enforcement priorities through annual planning
 - report to Parliament on enforcement activities and compliance trends
 - collaborate with other government agencies on cross-cutting prevention, compliance and enforcement issues
- 5.5 In carrying out the Secretary of State's functions under or by virtue of the labour market legislation listed in Part 1 of Schedule 7 to the Employment Rights Act 2025, the FWA must comply with the duty in section 108 of the Deregulation Act 2015 to have regard to the desirability of promoting economic growth and, in performing that duty, consider the importance for the promotion of economic growth of exercising these regulatory functions in a way which ensures that:
- (a) regulatory action is taken only when it is needed, and

(b) any action taken is proportionate.

5.6. The FWA can proactively share information about its activities and enforcement outcomes, supporting public accountability and reducing the risk of delay in the publication of important data.

Aims

6. Aims

- 6.1 Through the FWA, the government's aims are to build a clearer, more coherent labour market enforcement system that strengthens compliance, improves outcomes for workers, and supports responsible businesses.
- 6.2 The government sets out its aims for the FWA through publication of Strategic Steers, which are published at least every three years to inform the FWA's three-year Strategies. The government published its first Strategic Steer to the FWA, covering the 2026/27 financial year, on 7 April 2026. In its transitional year, the FWA will focus on reducing unnecessary regulatory burdens on compliant employers, developing unified and intelligence led data systems, raising public awareness and improving accessibility for workers and employers, and providing thought leadership across the enforcement landscape. It will also lay the foundations for its expanded remit in 2027, including the full transfer of National Minimum Wage enforcement ensuring a modern, joined up agency capable of tackling serious labour abuse and improving outcomes across the labour market.

Governance and accountability

7. Governance and accountability

7.1 The FWA shall operate corporate governance arrangements that accord with good corporate governance practice and applicable regulatory requirements and expectations.

7.2 In particular (but without limitation), the FWA should:

- comply with the principles and provisions of the [Corporate Governance in Central Government Departments Code of Good Practice](#) (as amended and updated from time to time) and in line with their statutory duties or specify and explain any non-compliance in its annual report
- comply with Managing Public Money
- in line with Managing Public Money Annex 3.1, the FWA shall have regard to the relevant [Functional Standards](#) as appropriate and in particular those concerning Finance, Commercial and Counter Fraud
- take into account the codes of good practice and guidance as they apply to Arms' Length Bodies

7.3 In line with Managing Public Money Annex 3.1 the FWA shall provide an account of corporate governance in its annual governance statement including the Board's assessment of its compliance with the Corporate Governance in Central Government Departments Code of Good Practice with explanations of any material departures. To the extent that the FWA does intend to materially depart from the Code, the Sponsor should be notified in advance.

Role of the department

8. The responsible Minister

8.1 The Secretary of State for the Department for Business and Trade is legally responsible and accountable to Parliament for all matters concerning the FWA, including activities carried out by the FWA on behalf of the Secretary of State.

8.2 The Ministers' powers, rights and responsibilities in respect of the FWA are:

- setting the overarching policy framework by agreeing and approving the FWA's high-level priorities as recommended by the Board
- agreeing, in consultation with other relevant government departments, the FWA's objectives through the approval and publication of the Annual Business Plan and three-year enforcement strategy
- sending clear delegation letters in a timely manner which set out the objectives of the organisation and the FWA's budget and funding
- overseeing such other matters as may be appropriate and proportionate
- enabling the Agency to operate effectively through:
 - the appointment of the Chair and independent members of the FWA Advisory Board
 - approval of the terms (including remuneration and policy regarding payment of expenses) of all appointments to the Board
 - approval of the nominated DBT Governance Sponsor
 - approval of the remuneration framework for all staff and individual pay awards outside the delegated framework

Appointments to the FWA Advisory Board

8.3 The Employment Rights Act 2025 creates a legal requirement for an Advisory Board, which will operate as an advisory body to the Secretary of State with equal representation from employers, independent experts and trade unions. The board must consist of a minimum of nine members. Further details on Board composition and responsibilities are set out in section 17.

8.4 The Minister shall have the following appointment and approval rights in relation to the FWA's Advisory Board:

- the Chairperson is appointed by the Minister for Employment Rights, Competition and Markets. This appointment is subject to the Public Appointments Order in Council and as such must comply with the Governance Code on Public Appointments
- non-executive members are appointed by the Minister for Employment Rights, Competition and Markets. These appointments are subject to the Public Appointments Order in Council and as such must comply with the Governance Code on Public Appointments
- all such appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint boards which include a balance of skills and backgrounds
- appointments made to the Board must be compliant with section 93(4) of the Employment Rights Act 2025
- appointments made to the Board are for a 3-year term, which, subject to ministerial approval, may be extended once for up to 3 additional years

Ministerial powers and responsibilities

8.5 The Secretary of State establishes the overarching policy framework and strategic priorities for the FWA through strategic steers and approval of enforcement strategies, while the Board develops specific strategic aims within this framework. The Secretary of State will set the strategic steer for the FWA at regular intervals (every three years), alongside the preparation and publication of a labour market enforcement strategy for every three-year period under section 95 of the Employment Rights Act 2025 (which strategy may be revised at any time). This labour market enforcement strategy will contain a proposal setting out how the FWA's enforcement functions are to be exercised. This means the Secretary of State may propose how the FWA is to prioritise particular sectors or rights areas where evidence suggests enforcement attention is needed. The ministerial oversight does not extend to directing day-to-day operations. The Secretary of State cannot direct the FWA to investigate, or refrain from investigating, any particular employer or business. Enforcement officers will maintain operational independence in individual case decisions and specific enforcement actions, ensuring impartial application of employment rights legislation. This independence ensures that enforcement decisions are made based solely on the evidence and applicable law, protecting the integrity of the enforcement process and ensuring fair treatment for both workers and business.

8.6 To support transparency and impartiality, responsibilities for publishing and reporting are clearly delineated:

- The Secretary of State retains the statutory duty to publish the strategy for the FWA. For Phase one of the organisation, the Secretary of State provided a strategic steer in April 2026 and will ask the Agency to return a business plan on how they plan to deliver the strategic steer for the first year, before the Agency publishes a three-year strategy and corporate plan for April 2027.
- The FWA itself has the authority to publish statistics, operational data, case outcomes and research reports from its work at any time, without the need for ministerial approval.

8.7 Responsibility for issuing letters of appointment that confer statutory enforcement powers (including PACE powers) on individual officers rests with the Secretary of State. Such letters may be issued by the Secretary of State or by a senior official acting on the Secretary of State's behalf under written delegated authority. The process for such delegation, and the criteria for appointment, shall be set out in a policy agreed between the Department and the FWA.

9. The Principal Accounting Officer

9.1 The Principal Accounting Officer (PAO) is the Permanent Secretary of the department.

PAO's specific accountabilities and responsibilities

9.2 The Principal Accounting Officer (PAO) of DBT designates the Chief Executive as the FWA's Accounting Officer (AO) and ensures that they are fully aware of their responsibilities. The PAO issues a letter appointing the AO, setting out his or her responsibilities and delegated authorities.

9.3 The respective responsibilities of the PAO and accounting officers for Arms' Length Bodies (ALBs) are set out in Chapter 3 of Managing Public Money.

9.4 The PAO is also responsible, usually via the sponsorship team, for advising the Responsible Minister on:

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

- the exercise of the Ministers' statutory responsibilities concerning the FWA as outlined above

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

- monitor the FWA's activities and performance
- address significant problems in the FWA, making such interventions as are judged necessary
- seek appropriate explanations and assurances that timely and effective action has been taken to implement agreed recommendations from internal and external audits, Parliamentary committees, and other scrutiny bodies
- periodically and at such frequency as is proportionate to the level of risk carry out an assessment of the risks both to the department and the FWA's objectives and activities in line with the wider departmental risk assessment process
- inform the FWA of relevant government policy in a timely manner
- bring Ministerial or departmental concerns about the activities of the FWA to the Accounting Officer and the FWA Board, and, as appropriate, to the departmental Board, requiring explanations and assurances that appropriate action has been taken

10. The role of the sponsorship team

10.1 The Governance Sponsor team in the department is the primary contact for the FWA. The responsible Senior Civil Servant (the "Senior Governance Sponsor") for this relationship is the Director of Employment Rights Directorate. They are the main source of advice to the Responsible Minister on the discharge of his or her responsibilities in respect of the FWA. They also support the PAO on his or her responsibilities towards the FWA.

10.2 Officials of the Governance Sponsor team in the sponsor department will liaise regularly with the FWA officials to review performance against plans, achievement against targets and expenditure against its DEL and AME allocations. The Governance Sponsor team will also take the opportunity to explain wider Government policy developments that might have an impact on the FWA or be of interest to the work of the FWA or make use of their expertise.

10.3 Should FWA performance fall significantly below the levels agreed in the business plan without a valid and agreed reason, the responsible Minister may impose sanctions fitting the circumstances. These may include but are not limited to a removal of delegated freedoms, more extensive departmental budgetary controls, or any combination of sanctions felt necessary to get performance back to the agreed levels.

10.4 The Senior Governance Sponsor will advise the Responsible Minister and PAO on:

- the Agency's leadership and governance
- the effectiveness of the Board and organisation, covering the Government's differing interests from governance sponsor and policy sponsor perspectives
- the objectives, strategy, accountability and performance of the organisation
- the remuneration and accounting officer obligations

10.5 The Senior Governance Sponsor's responsibilities include, but are not limited to:

- reviewing and updating the Framework Document in collaboration with the FWA
- reviewing the performance of the Agency, including developing culture, behaviours and values, and ensuring performance indicators show that value for money is being delivered

- reviewing and commenting on the Annual Reports and Accounts
- ensuring the Agency has effective governance mechanisms in place
- supporting the Agency in specific cases regarding compliance with HM Treasury, DBT and Cabinet Office financial controls
- ensuring the Home Office is appropriately consulted on the Fair Work Agency's serious labour exploitation functions
- reviewing and agreeing the Agency's strategy and annual Business Plan
- regularly discussing risk with the Agency, supporting with the escalation of high-scoring risks, seeking assurance that relevant mitigations are in place and providing support where appropriate
- working with DBT, the Chair and the Agency on succession planning and recruitment of Public Appointments to the FWA, the induction of Chair and CEO and their subsequent appraisals
- acting as the department's principal point of contact with the Chief Executive, the Chair and Board of the Agency
- holding an observer role on the Advisory Board

11. Contact, Engagement and Resolution of disputes between the FWA and DBT

11.1 DBT and FWA will have an open, honest and trust-based partnership supported by the principles set out in the Partnerships between Departments and ALBs: Code of Good Practice. Both parties will ensure they clearly understand the strategic aims and objectives of their partners. Both partners commit to keeping each other informed of any significant issues and concerns as and when they arise, even if this is outside of the usual reporting cycle.

11.2 Any disputes between the Department and the FWA will be resolved in as timely a manner as possible. The Department and the FWA will swiftly agree lines of responsibility and seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the Senior Sponsor undertaken using DBT policies, will be used to resolve the issue. Failing this, the Senior Sponsor will ask the relevant policy Director General to oversee the dispute. They may then choose to ask the Permanent Secretary to nominate a non-executive member of the Department's Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the Secretary of State. An audit trail in relation to the disagreement or dispute will be maintained for transparency.

12. Partnership principles between DBT and the Fair Work Agency

12.1 Interactions between DBT and the Agency must be conducted in a professional, efficient, and trust-based dialogue:

- professional: professional people engaged in dialogue relevant to delivering the DBT's objectives for the FWA, with commitments delivered on time and to specification
- efficient: all parties ensuring a joined-up and efficient approach amongst their respective constituent elements
- trust-based: open dialogue, based on a shared commitment to providing the FWA with the ability to realise its purpose and pursue the objectives effectively

12.2 The Agency will operate a corporate governance structure that provides a relationship between its Board and DBT which, so far as practicable and in the light of the other provisions of this Framework Document or as otherwise may be agreed with DBT, accords with best corporate governance practice.

12.3 DBT is entitled to reports or other information, on reasonable notice, that will enable it to assess the Agency's performance and carry out its broader oversight duties. The information and reporting cycle required by the Department is outlined in detail in section 28. The Department reserves the right to request more information where needed on particular areas of concern but will do so proportionately and with as much notice as possible.

12.4 The FWA's performance will be monitored by the following means:

- annual Ministerial meetings with the Chair and the Chief Executive
- quarterly meetings between the Governance Sponsor, the Home Office Modern Slavery Unit and the Chief Executive to discuss and assess the Agency's activities, financial performance, and performance against its objectives
- quarterly meetings with the Governance Sponsor and the Chair of the FWA to discuss the Advisory Board's progress on delivering the Secretary of State's strategic aims for the Agency
- monthly meetings between the sponsor team and representatives of the FWA to discuss and assess the Agency's activities and performance against its objectives

12.5 To ensure a productive Sponsorship relationship:

- The Chief Executive or Chair of FWA will promptly and without delay disclose to DBT any information regarding the Agency that may otherwise have a significant bearing on the delivery of, or may have a significant impact on, the objectives. This should include any concerns about corporate governance (e.g. financial performance etc) of the Agency.
- In addition to the regular meetings, and as needed, the Chair or other representatives of the FWA will meet DBT representatives or Ministers to discuss the affairs of the FWA. These meetings should happen promptly to ensure any issues are dealt with swiftly as and when they arise.

12.6 The sponsorship relationship between the Department and the Agency should be reviewed annually to ensure it is facilitating an efficient and productive relationship.

13. Freedom of Information (FOI) requests

13.1 FWA and DBT are separately responsible for handling information access requests they receive under FOI regarding information they hold. Where a request for information is received by either party under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004, the party receiving the request will consult with the other party prior to the disclosure of information that may affect the other party's responsibilities. Consultation should happen early (as soon as identified) and in line with the FOI Code of Practice.

13.2 Under the UK GDPR and Data Protection Act 2018 if there is a subject access request 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.

14. Reporting on legal risk and litigation

14.1 The FWA shall provide a quarterly update to the Sponsor on the existence of any active litigation and any threatened or reasonably anticipated litigation. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the Sponsor in a timely manner.

14.2 In respect of each substantial piece of litigation involving the FWA, the parties will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of

the litigation and the protection of legally privileged information transmitted to the Sponsor to facilitate this. Until such time as a protocol is agreed, the parties will ensure that:

- material developments in the litigation are communicated to the Sponsor 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

FWA Governance Structure

15. The Chief Executive roles and responsibilities

15.1 The Chief Executive of the FWA is appointed through the Civil Service recruitment process for Senior Civil Service (Pay Band 2) positions. The recruitment process is led by the Cabinet Office and typically involves a panel consisting of the, Governance Sponsor, Board Chair and a Civil Service Commissioner, with appropriate ministerial engagement. Once in post, the Chief Executive will be line managed by the Director General responsible for the FWA.

15.2 The Roles of the Chief Executive are to:

- work with the Chair and Advisory Board to agree and deliver the 3-year long-term strategy for the FWA, ensuring alignment with government policy
- ensure that powers of the body are used appropriately – including supporting business to be compliant and avoiding the need for enforcement action.
- manage the FWA's budget and resources in a way that ensures value for money
- manage the FWA workforce effectively and deliver operational excellence which includes regular performance and risk management.
- deliver on organisational design and workforce structure

This should include:

- agreeing the overall operating model, organisational structure, and spans of control for the FWA, in consultation with the Board and relevant stakeholders
- ensuring that any material changes to roles or responsibilities are managed transparently, with appropriate consultation and support for staff
- regularly reviewing the effectiveness of the operating model and making adjustments as necessary to support the FWA's objectives, while respecting existing contractual arrangements and engaging with staff throughout any change process
- manage the Service Level Agreement with HMRC for the delivery of National Minimum Wage enforcement during the transitional first year, including:
 - oversight of National Minimum Wage delivery against the SLA
- ensuring that the relationship between HMRC/FWA is sufficiently understood by customers, by collaborating with HMRC to issue effective messaging/branding.
- ensuring the FWA will work closely with Acas (Advisory, Conciliation and Arbitration Service) including signposting workers and businesses to Acas and its guidance where their case would be more appropriately handled by Acas.
- developing operating statistics for the FWA annual report

Responsibilities of the Fair Work Agency's Chief Executive

15.3 The Chief Executive has responsibility as the Agency's Accounting Officer to Parliament and the Public as well as responsibilities to the Sponsoring Department, the Advisory Board, HMICFRS, the IOPC and the IPCO.

Responsibilities as Accounting Officer

15.4 The Chief Executive as Accounting Officer is responsible for assuring the PAO on 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 implementing the strategic direction set by the Secretary of State. He or she will do this through the day-to-day operations and management of the FWA. In addition, they should ensure that the FWA as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management, that are set out in Box 3.1 of Managing Public Money. These responsibilities include the below and those that are set in the Accounting Officer appointment letter issued by the Principal Accounting Officer of the Sponsor Department.

Responsibilities for accounting to Parliament and the public

15.5 Responsibilities to Parliament and the public include:

- signing the 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 the FWA in accordance with [Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling](#) are established and made widely known within the FWA and published on www.gov.uk
- acting in accordance with the terms of Managing Public Money and other instructions and guidance issued from time to time by the Department, the 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
 - this Framework Document
 - any delegation letter issued
- any elements of any settlement letter issued to the sponsor department that is relevant to the operation of the FWA
- ensuring that appropriate internal mechanisms exist for monitoring governance and external reporting regarding compliance with any conditions arising from the above documents
- giving evidence, normally with the PAO, when summoned before the PAC on the FWA's stewardship of public funds

Responsibilities to DBT

15.6 Responsibilities to DBT include:

The Chief Executive is responsible for implementing the strategy approved by the Secretary of State through operational leadership, resource management, and day-to-day decision making. The Chief Executive ensures the delivery of strategic objectives while maintaining operational independence in individual enforcement decisions.

Specific responsibilities include:

- establishing, in agreement with the Board and the department, the FWA corporate and business plans in the light of the department's wider strategic aims and agreed priorities and reporting against progress in the Annual Report

- informing the department of progress in helping to achieve the department's policy objectives for the FWA 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 underspends are likely and of the corrective action being 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 Advisory Board

15.7 The Chief Executive is responsible for:

- reporting to and advising the Advisory Board on the FWA performance compared with its aims and objectives, and
- ensuring that financial considerations are taken fully into account by the Advisory Board when discharging advice to the Secretary of State, and that financial appraisal techniques are followed
- the Chief Executive is not bound by the advice of the Board, though should take its views into consideration when making decisions

Responsibilities to His Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS)

15.8 The Chief Executive has agreed to voluntary inspections carried out by HMICFRS on the use of FWA Enforcement Officers utilising investigatory powers set out in PACE regulations. The Chief Executive is responsible for:

- agreeing the terms of reference for inspections with HMICFRS
- ensuring relevant documents and data are made available to HMICFRS in order to carry out inspection
- ensuring relevant officers are made available for interview by HMICFRS
- ensuring all costs are met for inspections
- responding to inspection recommendations within agreed timeframes

Responsibilities in relation to the Independent Office for Police Conduct (IOPC)

15.9 When the IOPC makes a recommendation to the Chief Executive, in addition to complying with their obligations under the applicable police complaints and conduct regime, including those arising under the Police Reform Act 2002 and any relevant secondary legislation. In doing so the Chief Executive should:

- Ensure DBT is copied into the Authority's response to the IOPCs recommendation in parallel.
- Ensure the Authority's response to the IOPC is provided within the applicable statutory timescales
- In cases where DBT has not received a copy of the IOPC's correspondence following the Authority's response to a recommendation, the Chief Executive will provide a copy of any response from the IOPC (following the response to the recommendation) to DBT.
- Where the Chief Executive believes the response to a recommendation should not be published in whole, and representations to the IOPC have been rejected, they will make representations to DBT (in a timely manner before the end of the applicable publication period).
- Ensure the response to the IOPC recommendation is published within the applicable timescale. Any decision not to publish within the timescale should be communicated with DBT on a case-by-case basis.

Responsibilities in relation to the Investigatory Powers Commissioner's Office (IPCO)

- Where the FWA is designated under the Investigatory Power (IP) Act 2016 as a relevant public authority for the purposes of acquiring communications data, the Agency will exercise those powers only in accordance with the Act, the applicable codes of practice and principles of necessity and proportionality.
- The FWA will be subject to independent oversight by the Investigatory Powers Commissioner and the Investigatory Powers Commissioner's Office (IPCO), including inspection, audit and any other requirements specified in the codes of practice in respect of its use of the IP Act 2016 functions.
- The FWA will maintain appropriate internal governance, authorisation, training and record-keeping arrangements to support compliance with its statutory obligations and IPCO oversight. Details of how individuals may raise concerns or complaints about the use of investigatory powers is set out in the FWA published complaints policy

Managing conflicts

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

15.11 If the Board, or its chairperson, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, is of questionable feasibility, or is unethical, the Chief Executive in their role as Accounting Officer should reject that course of action and make the DBT Governance Sponsor aware.

15.12 The Chief Executive must ensure that the Board has a full opportunity to discuss the rationale. Where there is a dispute, the Chief Executive should confirm the rationale for not following the advice of the Board in writing to the Chair of the Board and the Principal Accounting Officer and copy that to the Treasury Officer of Accounts.

15.13 If the Responsible Minister agrees with the proposed course of action of the Board it may be appropriate for the Minister to direct the Accounting Officer in the manner as set out in Managing Public Money paragraph 3.6.6 onwards.

16. The Chair's role and responsibilities

16.1 The Chair is appointed by the Secretary of State and is bound by the [Code of Conduct for Board Members of Public Bodies](#), which covers conduct in the role and includes the [Nolan Principles of Public Life](#).

16.2 The Secretary of State will make the expectations of the Chair clear in an annual delegation letter that sets out strategic aims, budget and resources of the Agency. This will also highlight the expectations in relation to good governance and strategic objectives for the ALB. This will be annual and focus on shorter-term priorities than the framework document, but the two must be consistent.

16.3 The Chair's responsibility should be exercised in the light of their duties and responsibilities as set out in their contract of employment/appointment letter, the priorities in the Strategic Steer provided by the Secretary of State, any relevant statute governing the FWA, this document and the documents and guidance referred to within this document.

16.4 The Chair's role is to:

- lead the Advisory Board to deliver advice on Labour Market Enforcement and the strategic direction of the FWA to the Secretary of State that presents a balanced view that incorporates the views of employers, workers, independent experts and civil society and considers wider Government priorities

- lead the Board to offer constructive challenge to the FWA Executive on running the organisation in a way that aligns with the Secretary of State's approved strategic aims
- operate as an external ambassador for the work of the FWA, representing it and its work to the general public, external stakeholders, Parliament and other Government Departments

16.5 The Chair's responsibilities are:

- to lead the Advisory Board in the delivery of their responsibilities
- taking the deciding vote in the case of a tied vote at the Board
- ensuring, including by monitoring and engaging with appropriate governance arrangements, that the FWA's affairs are conducted with probity
- ensuring that policies and actions support the Responsible Minister's (and where relevant other Ministers') wider strategic policies and where appropriate for the FWA, these policies and actions should be clearly communicated and disseminated throughout the FWA
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the Responsible Minister or the department
- appoint a member of the Board to be Chair of the ARAC
- promoting the efficient and effective use of staff and other resources
- delivering high standards of regularity and propriety for the Board; and
- investigating and challenging any disciplinary issues from the Board and escalating following along the relevant policies as advised by DBT

16.6 Communications between the FWA's board and the responsible Minister should normally be through the Chair.

17. The Advisory Board

The Advisory Board

17.1 The FWA will have a statutory Advisory Board as required by section 93 of the Employment Rights Act 2025.

17.2 The Advisory Board will consist of a chairperson, together with nine non-executive members all appointed by the Secretary of State. The Chief Executive and a representative of the Department for Business and Trade will attend Advisory Board meetings.

17.3 Section 93(4) of the Employment Rights Act 2025 requires that the Board includes an equal number of each of the following:

- persons appearing to the Secretary of State to represent the interests of trade unions
- persons appearing to the Secretary of State to represent the interests of employers
- persons appearing to the Secretary of State to be independent experts

17.4 Remuneration of the Advisory Board will be disclosed in line with the guidance in the [Government Financial Reporting Manual \(FReM\)](#).

Duties of the Advisory Board

17.5 The Advisory Board provides advice to the Secretary of State on matters relating to labour market enforcement and provides advice on the FWA's strategic direction within the policy framework determined by the Secretary of State.

17.6 The Advisory Board is specifically responsible for:

- providing advice to the Secretary of State on issues relating to labour market enforcement
- once the Secretary of State has agreed a set of strategic aims and objectives, the Advisory Board is responsible for overseeing the Chief Executive's implementation of these aims and objectives within the policy and resources, framework determined by the Secretary of State
- providing strategic advice to the Chief Executive on ways to ensure the effective delivery against the strategic direction set by the Secretary of State
- ensuring that in agreeing proposals for strategic aims, the Board complies with guidance issued by the sponsor department, providing strategic advice to the Chief Executive on ways to ensure proper corporate governance of the FWA
- monitoring and reporting on the effective establishment of the FWA's governance, systems, and processes in its first year of operation, with particular attention to successfully integrating the functions of predecessor bodies and planning and advising on appropriate changes for future expansion of responsibilities
- advising on compliance with any statutory or administrative requirements for the use of public funds
- reviewing and ensuring that operations of the FWA remain within the limits of any statutory authority and any delegated authority agreed with the sponsor department, and in accordance with any other conditions relating to the use of public funds
- ensuring that as part of the above compliance Board members are all individually familiar with:
 - this framework document
 - any delegation letter issued to body as set out in paragraph 16.2
 - any elements of any settlement letter issued to the sponsor department that is relevant to the operation of the FWA
 - any separate settlement letter that is issued to the FWA from the sponsor department
- demonstrating and fostering 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
- determining all such other things which the Board considers ancillary or conducive to the attainment or fulfilment by the FWA of its objectives

17.7 The Board should review and advise on arrangements to provide assurance on risk management, governance and internal control in line with the [Management of Risk – Principles and Concepts \(The Orange Book\)](#). The Agency 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.

17.8 Detailed responsibilities of the Advisory Board shall be set out in terms of reference of the Board.

17.9 To maintain appropriate governance boundaries, the Advisory Board should:

- respect the Chief Executive's operational independence while providing valuable stakeholder perspectives.

- provide advice but may not direct the Chief Executive or executive team

Board Committees

17.10 The Advisory Board may set up and review any such committees as necessary for it to fulfil its functions.

17.11 While the Advisory Board may make use of committees to assist decision making, it retains responsibility for, and endorses, final decisions in all of these areas. The Chair should ensure that sufficient time is allowed at the Advisory Board for committees to report on the nature and content of discussion, on recommendations, and on actions to be taken.

17.12 Where there is disagreement between the relevant committee and the Advisory 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 sponsor team, Principal Accounting Officer and Responsible Minister. They may also seek to ensure the disagreement or concern is reflected as part of the report on its activities in the annual report.

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

18. Individual board members' roles and responsibilities

18.1 Individual Board members are appointed by the Secretary of State and are bound by the [Code of Conduct for Board Members of Public Bodies](#), which covers conduct in the role and includes the [Nolan Principles of Public Life](#).

18.2 Individual Board Members roles are:

- to use their expertise of Employers, Trade Unions or particular area of independent expertise, as set out in their appointment letter
- working constructively with the other Board members to support the Chair of the Advisory Board in providing strategic advice to the Secretary of State on the direction of the FWA
- working with the other Board Members to effectively and constructively challenge the executive team of the FWA on the smooth running of the Agency
- operating as external ambassadors for the FWA

18.3 The Chair and all individual board members responsibilities are to:

- comply at all times with the rules relating to the use of public funds and to conflicts of interest
- demonstrate adherence to the [12 Principles of Governance for all Public Body Non-Executive Directors as appropriate](#)
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations
- comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments
- act in good faith and in the best interests of the FWA

- 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

18.4 Some individual Board Members may have additional roles as Chair of other Board committees, e.g. ARAC etc, the relevant responsibilities will be clearly defined in individual letters from the Chair.

Management and financial responsibilities and controls

19. Delegated authorities

19.1 The FWA's delegated authorities are set out in the annual delegation letter sent by the Department. This delegation letter may be updated and superseded by later versions which may be issued by the sponsor department in agreement with HM Treasury.

19.2 In line with Managing Public Money Annex 2.2 these delegations will be reviewed on an annual basis by the DBT Finance team which supports the DBT sponsor.

19.3 The FWA 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 the FWA'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 Managing Public Money

20. Spending authority

20.1 Once the budget has been approved by the sponsor department the FWA shall have authority to incur expenditure approved in the budget without further reference to the sponsor department, on the following conditions:

- the FWA 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
- the FWA shall comply with Managing Public Money regarding novel, contentious or repercussive proposals
- inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed
- the FWA shall provide the sponsor department with such information about its operations, performance, individual projects or other expenditure as the sponsor department may reasonably require

21. Banking and managing cash

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

21.2 The FWA 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.

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

21.4 The Accounting Officer is responsible for ensuring the FWA follows the DBT Banking Policy as set out in Managing Public Money and ensuring that policy is complied with.

21.5 The FWA must minimise cash balances in all accounts to ensure efficient operation of the agency.

21.6 The FWA shall operate effective cash management procedures in accordance with Managing Public Money. The Accounting Officer shall ensure the FWA establishes a banking policy that maximises use of Government Banking services, minimises balances in commercial bank accounts, and provides accurate cash flow forecasts to the Treasury. This approach supports the Exchequer pyramid and reduces overall government borrowing costs. Any commercial banking arrangements must demonstrate clear business need.

21.7 Fee-setting authority and recovery:

- The FWA is authorised to charge fees for certain activities, including but not limited to licencing functions transferred from the Gangmasters and Labour Abuse Authority. All fees must be set in accordance with Managing Public Money principles, particularly that fees should not exceed the full cost of providing the service.
- The FWA shall review its fee structure annually to ensure compliance with cost recovery principles and submit any proposed changes to the sponsor department for approval.
- Any proposal to introduce new fees or materially change the structure of existing fees requires prior approval from the sponsor department and, where necessary, HM Treasury.
- The FWA shall maintain transparency in its fee-setting processes, publishing clear information about fee levels, the basis for calculations, and how fee income is used to support regulatory activities.
- The FWA has statutory powers to recover costs associated with enforcement activities in certain circumstances. Any use of these recovery powers shall be governed by an internal policy approved by the Board that ensures consistency, proportionality, and value for money.

22. Procurement

22.1 The FWA 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 and the Procurement Act 2023.

22.2 Where it represents good value for money, the FWA should consider sharing services with others, e.g. for legal or commercial services. Use of these services would be paid for by FWA. Where the Agency procures these services externally, they should meet the same level of standard that the Department expects.

22.3 The FWA shall establish its procurement policies and document these in a Procurement Policy and Procedures Manual.

22.4 In procurement cases where the FWA is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the Department's Commercial Team via the sponsorship team.

22.5 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.

22.6 Procurement by the FWA 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).

22.7 The FWA 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

22.8 The FWA shall comply with the [Commercial](#) and [Grants Standards](#). These standards apply to the planning, delivery, and management of government commercial activity, including management of grants in all departments and ALBs, regardless of commercial approach used and form part of a suite of functional standards that set expectations for management within government.

23. Risk management

23.1 The FWA shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the Department of Business and Trade's Risk Management & Policy Framework and [Treasury guidance Management of Risk: Principles and Concepts](#).

23.2 The FWA's initial risk management strategy will address the specific risks associated with organisational establishment, including continuity of enforcement operations, staff integration, and systems consolidation.

23.3 The FWA will agree a level of risk appetite with the department. This should be proposed by the ARAC with the agreement of the Advisory Board and discussed and agreed with the Senior Governance Sponsor.

24. Counter fraud and theft

24.1 The FWA must maintain robust procedures to safeguard itself against fraud, theft and bribery by any person or entity associated with it in line with the Department for Business and Trade's policies and practices. These procedures must be adequate to provide a robust defence under relevant legislation. The FWA must conduct appropriate due diligence on all individuals and organisations acting on its behalf and take prompt action against any breaches.

24.2 The FWA should act in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set out in Managing Public Money Annex 4.9, [The Orange Book](#), [The Green Book](#) and [the Government 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.

24.3 The FWA should keep records of and prepare and forward to the department an annual report on fraud and theft suffered by the FWA and notify the sponsor department of any unusual or major incidents as soon as possible. The FWA 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.

25. Staff

Broad responsibilities for staff

25.1 Within the arrangements approved by the responsible Minister and the Treasury the FWA will have responsibility for the recruitment, retention and motivation of its staff in accordance with Department for Business and Trade's HR policies. 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 and in accordance with Civil Service Recruitment Principles; 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 the FWA performance measurement systems are reviewed in accordance with policy
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the FWA'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

25.2 FWA Staff are responsible for ensuring they comply with all DBT and FWA policies and procedures and conduct themselves in accordance with the Civil Service Standards.

Staff costs

25.3 Subject to its delegated authorities, the FWA 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

25.4 The FWA's staff are subject to the same levels of remuneration, terms and conditions of service (including pensions) upon transfer within the general pay structure approved by the sponsor department and the Treasury. The FWA has no delegated power to amend these terms and conditions.

25.5 If Civil Service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the staff and to any other party entitled to payment in respect of travel expenses or other allowances, payment shall be made in accordance with [the Civil Service Management Code](#) and the annual Civil Service Pay Remit Guidance, except where prior approval has been given by the department to vary such rates.

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

25.7 The FWA shall abide by public sector pay controls, including the relevant approvals process dependent on the organisations classification as detailed in [the Senior Pay Guidance](#) and [the Public Sector Pay and Terms Guidance](#).

25.8 The FWA shall 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.

Pensions, redundancy and compensation

- 25.9 Compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments and comply with Cabinet Office controls on redundancy and compensation.
- 25.10 The FWA's staff shall normally be eligible for a pension provided through the standard Civil Service pension arrangements.
- 25.11 Any proposal by the FWA to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the department. Proposals on severance must comply with the rules in chapter 4 of Managing Public Money.

Business plans, financial reporting and management information

26. Corporate and business plans

26.1 The FWA will develop a strategy and corporate plan covering three years ahead. The FWA shall agree with the department which issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect the FWA's statutory and/or other duties and, within those duties, the priorities set from time to time by the Responsible Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how the FWA contributes to the achievement of the department's medium-term plan and priorities with aligned performance metrics and milestones. The first such plan is due on 1 April 2027 and shall be published alongside the statutory Employment Rights Enforcement Strategy.

26.2 The FWA will also produce an annual business plan. The business plan shall be updated to include key targets and milestones for the year in question 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 the FWA on its website and separately be made available to staff.

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

- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives
- key non-financial performance targets
- a review of performance in the preceding financial year 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 the FWA

27. Budgeting procedures

27.1 Each financial year, in the light of decisions by the department on the updated draft corporate plan, the department will send to the FWA:

- 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 the FWA

27.2 The approved annual business plan will take account both of approved funding provision where this applies and any forecast receipts and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any departmental funding and/or other income over the year. These elements form part of the approved business plan for the year in question.

28. Annual accounts and Report

28.1 The Secretary of State must publish an annual report in line with section 95 of the Employment Rights Act 2025. In addition, the FWA will publish its audited accounts after the end of each financial year. The FWA shall provide the department its finalised (audited) accounts each year in order for the accounts to

be consolidated within DBT. A draft of the accounts should be submitted to the department a minimum of two weeks before the proposed publication date. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the department as well as the Treasury's Financial Reporting Manual (FReM).

28.2 The annual report must:

- cover any corporate, subsidiary or joint ventures under its control
- comply with the [FReM and in particular have regard to the illustrative statements for an executive agency](#)
- outline main activities and performance against the enforcement strategy during the previous financial year, including the use of powers, as well as its impact on non-compliance with relevant labour market legislation

28.3 Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. The annual report and accounts shall be laid in Parliament and made available on the FWA organisation page, in accordance with the guidance in the FReM.

29. Reporting performance to the department

29.1 The FWA shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans.

29.2 The FWA shall report on these metrics in their Quarterly updates with the Governance sponsor and monthly meetings with the sponsor team as set out in section 10. However, if required in between that reporting cycle, the FWA shall inform the sponsor department of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver Ministers' policies, and the achievement of key objectives regularly. The FWA's first-year performance reporting will include agreed metrics related to successful establishment of the unified agency, in addition to standard operational and enforcement performance measures.

29.3 During the first year of operation, the FWA's performance reporting will include specific metrics on the delivery of National Minimum Wage enforcement through the HMRC Service Level Agreement. These metrics will be reported separately within the overall FWA performance framework to provide transparency on this transitional arrangement

29.4 Quarterly performance reports shall be provided to the DBT Sponsorship Team and Finance Business Partner, who will ensure the data is examined and discussed with colleagues in DBT and the FWA. These reports shall include:

- progress against key performance indicators defined in the business plan
- financial performance against budget profiles
- risk register updates including emerging and changing risks
- progress against strategic milestones
- operational metrics including enforcement activities and outcomes
- stakeholder engagement activities and outcomes

28.5 The responsible Minister can request and receive specific performance data where they have reasonable grounds to be concerned about performance in that area.

28.6 In addition to these regular reporting mechanisms:

- the responsible Minister and DBT Director General will meet the FWA Chair and Chief Executive at least once a year.
- the POA will meet the Chief Executive at least once a year
- the Governance Sponsor will meet with the Chief Executive quarterly, as set out in section 10

30. Information sharing

30.1 In addition to regular reporting on performance the department has the right of access to all of the FWA records and personnel for any purpose including but not limited to sponsorship audits and operational investigations.

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

30.3 The FWA will establish protocols for information sharing with HMRC, enabling access to relevant data for enforcement purposes and allowing reciprocal sharing of information to support both organisations' compliance activities.

30.4 The FWA will establish protocols for reciprocal information sharing with the Home Office and relevant law enforcement agencies, enabling access to relevant data to support both organisation's prevention, compliance and enforcement activities.

30.5 Where the FWA engages in multi-agency investigations or enforcement activities, the following principles shall apply to the sharing of legally privileged information where it is outside of legislation:

- the FWA will establish information sharing protocols with partner agencies that clearly define the circumstances under which legally privileged information may be shared
- any sharing of legally privileged information will be limited to what is strictly necessary for the proper conduct of joint operations or investigations

30.6 Where the Department deems necessary, the FWA shall provide the department with information that will enable the department satisfactorily to monitor:

- the FWA's cash management
- its draw-down of supply cash
- 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 to meet any condition as set out in any settlement letter

30.7 The FWA will have protocols for the integration and management of data, records, and intelligence from predecessor bodies, ensuring continuity of access to enforcement history and maintaining the integrity of ongoing cases.

Audit

31. Internal audit

31.1 The FWA shall:

- establish and maintain arrangements for Internal audit with the Government Internal Audit Agency who will perform this function
- ensure that any arrangements for internal audit are in accordance with [the Public Sector Internal Audit Standards \(PSIAS\) 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](#), or be represented on the DBT's Audit Committee
- forward the audit strategy, periodic audit plans and annual audit report, including the FWA Head of Internal Audit opinion on risk management, control and governance as soon as possible to the sponsor department
- keep records of and prepare and forward to the department an annual report on fraud and theft suffered by the FWA and notify the sponsor department of any unusual or major incidents as soon as possible
- will share with the sponsor department information identified during the audit process and the Annual Audit Opinion Report (together with any other outputs) at the end of the audit, in particular on issues impacting on the department's responsibilities in relation to financial systems within the FWA

32. External audit

32.1 The Comptroller & Auditor General (C&AG) passes the audited accounts to the Secretary of State who will lay the accounts together with the C&AG's report before parliament.

32.2 The C&AG:

- will consult the department and the FWA on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG
- has a statutory right of access to relevant documents, including by virtue of any order made under section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from the FWA
- will share with the sponsor department information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Department's responsibilities in relation to financial systems within the FWA
- will consider requests from departments and other relevant bodies to provide regulatory compliance reports and other similar reports at the commencement of the audit. Consistent with the C&AG's independent status, the provision of such reports is entirely at the C&AG's discretion

32.3 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the FWA has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under Section 8 of the National Audit Act 1983. In addition, the FWA 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 endeavors to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

Reviews and winding up arrangements

33. Review of FWA's status

33.1 The FWA will be subject to periodic external review usually every three years as part of the wider Public Bodies Reviews programme at a time determined by the department's ministers and their PAO.

34. Arrangements in the event that FWA is wound up

34.1 The sponsor department shall put in place arrangements to ensure the orderly winding up of the FWA. In particular it should ensure that the assets and liabilities of the FWA are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the assets and liabilities should revert to the sponsor department.) To this end, the department shall:

- have regard to [Cabinet Office guidance on winding up of ALBs](#)
- ensure that procedures are in place in the FWA to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body
- specify the basis for the valuation and accounting treatment of the FWA's assets and liabilities
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that, for non-Crown bodies funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts
- arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB AO should sign the closing accounts
- the event that the department inherits the role, responsibilities, assets and liabilities, the sponsor department's AO should sign

34.2 The FWA shall provide the department with full details of all agreements where the FWA 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 the FWA

Annex A: Guidance

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

Corporate governance

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

Financial management and reporting

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

Management of risk

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

Commercial management

- Procurement Policy Notes: <https://www.gov.uk/government/collections/procurement-policy-notes>
- Cabinet Office spending controls: <https://www.gov.uk/government/collections/cabinet-office-controls>

- Transparency in supply chains - a practical guide:
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040283/Transparency in Supply Chains A Practical Guide 2017 final.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040283/Transparency_in_Supply_Chains_A_Practical_Guide_2017_final.pdf)

Public appointments

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 the FWA.
- 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%20trustworthy.>
- Accounting Officer System Statements (AOSS are produced by departments with input from ALBs): www.gov.uk/government/publications/accounting-officer-system-statements

HM Treasury contacts

This document can be downloaded from www.gov.uk

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Department for Business and Trade

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