This annex contains an outline menu of terms suitable for inclusion in the framework document for an executive non-departmental public body (NDPB). Each NDPB will need a bespoke specification suited to its specific responsibilities. The document should focus clearly on its relationship with the sponsor department, and with any other departments with interest(s) in the NDPB’s business.

While the document is based on a typical executive NDPB, it could be adapted or used as a basis for framework documents for other arms length bodies. Those drawing up framework documents are not bound to follow the specimen, which is offered by way of illustration. The paragraph numbering in the specimen framework document follows that of the outline menu.

**FRAMEWORK DOCUMENT FOR AN EXECUTIVE NDPB: outline menu**

**Purpose of the NDPB**

1. Statement of:
   - the NDPB’s statutory (and/or other) duties
   - its strategic aims
   - any mission statement or equivalent.

**Governance and accountability**

2. Statement of the legal origin(s) of the NDPB’s powers and duties.

3. Statement of the aims for the NDPB set by the sponsor department’s minister and any other ministers.

4. Statement of which minister will account for the NDPB’s business in Parliament.

5. Statement of the responsibilities of the Accounting Officer in the sponsor department, especially:
   - regular monitoring and general oversight over the NDPB’s business
   - accounting for any disbursements of grant to the NDPB
   - sponsorship of the NDPB’s aims in central government
   - relationship with any other department(s) with an interest in the NDPB’s business.
6. Statement of the responsibilities of the NDPB’s Accounting Officer (usually the chief executive) to account to:
   • Parliament
   • the sponsor department
   • the NDPB’s board
   • other stakeholders.

7. Statement of the responsibilities of the NDPB’s:
   • board
   • chairman
   • individual board members.

8. Specification of the essential publications of the NDPB, including
   • annual report and resource accounts
   • any statutory reports
   • statement of the NDPB’s corporate governance arrangements
   • any bespoke requirements for the NDPB, eg related to its business sector.

9. Statement of internal audit arrangements, including access by sponsor department’s internal audit service.

10. Statement of the external audit arrangements for the NDPB, including:
    • the auditor (usually the C&AG)
    • the accounts direction (issued by the Secretary of State with the concurrence of the Treasury)
    • value for money audits by the C&AG.

Management and financial responsibilities

11. Statement that the NDPB should follow the standards, rules, guidance and advice in Managing Public Money, referring any difficulties or potential bids for exceptions to its sponsor department in the first instance. Specification of any standard exceptions to or elaborations of this general requirement.

12. Details of corporate governance arrangements.

13. Details of risk management procedures and arrangements.

14. Requirements for developing and revising the NDPB’s corporate plan, with the expected frequency, and arrangements for clearance with the sponsor department.

15. Details of budgeting procedures.

16. Details of the terms and conditions of payment of the grant-in-aid and any ring-fenced grants to the NDPB made by the sponsor or other departments.
17. Details of reporting to the sponsor department, with the expected frequency, including:
   • the NDPB’s main activities;
   • its financial performance;
   • its expenditure against its DEL and AME budget allocations;
   • other monitoring information;
   • working level liaison arrangements.

18. Specification of the activities of, and changes within, the NDPB which require clearance from the sponsor department, including delegated limits for new activities and capital projects.

19. NDPB staff.

20. Arrangements for review of the NDPB’s status.

APPENDIX TO ANNEX 7.4

NDPB FRAMEWORK DOCUMENT: specimen

This framework document has been drawn up by [the department] in consultation with [the named NDPB]. This document sets out the broad framework within which the [named NDPB] will operate. The document does not convey any legal powers or responsibilities. It is signed and dated by [the department] and [the NDPB]. 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 [NDPB] website.

Purpose of the [named NDPB]

1.1 Under the [Name] Act 2006, the [name of NDPB] has been set up in order to support the strategic aims and current Public Service Agreement of the [sponsor] department(s). Its main aim is to [...].

1.2 Its statutory duties are to:

• [short summary of overarching statutory duties]

1.3 The [NDPB’s] strategic aims are to:

• [explain big picture aims] Aim 1

• Aim 2

1.4 Its mission statement (if any) is:

Governance and accountability

2 [NDPB] legal origins of powers and duties

2.1 The [NDPB’s] powers and duties stem from sections [?] and [Schedule?] of the [establishing legislation, include both primary and secondary legislation, as necessary].

3 Overall aims

3.1 The Secretary of State/responsible Minister(s) has agreed that, subject to 1.3, the aims of [the NDPB] should be as follows:

i) 

ii)

iii)

4 Ministerial responsibility

4.1 The [name or office of the responsible and successor minister] will account for the NDPB’s business in Parliament.

5 Sponsor department’s Accounting Officer’s specific accountabilities and responsibilities

5.1 The sponsor department’s Accounting Officer (PAO) has designated the Chief Executive as [the NDPB’s] Accounting Officer. (The respective responsibilities of the AO and Accounting Officers for NDPBs and other arm’s length bodies are set out in Chapter 3 of Managing Public Money which is sent separately to the NDPB Accounting Officer on appointment.)
5.2 The sponsor department’s AO is accountable to Parliament for the issue of any grant-in-aid to [the NDPB]. The AO is also responsible for advising the responsible minister:

- on an appropriate framework of objectives and targets for [the NDPB] in the light of the department’s wider strategic aims and current PSA;
- on an appropriate budget for the NDPB in the light of the sponsor department’s overall public expenditure priorities; and
- how well the NDPB is achieving its strategic objectives and whether it is delivering value for money.

5.3 The sponsor department’s AO is also responsible for ensuring arrangements are in place in order to:

- monitor the NDPB’s activities on a continuous basis;
- address significant problems in the NDPB, making such interventions as are judged necessary;
- periodically carry out an assessment of the risks both to the department and NDPB objectives and activities;
- inform the NDPB of relevant government policy in a timely manner; and
- bring concerns about the activities of the NDPB to the full (NDPB) board, requiring explanations and assurances that appropriate action has been taken.

5.4 [Named team] in the sponsor department is the primary contact for the NDPB. They are the main source of advice to the responsible minister on the discharge of his or her responsibilities in respect of the NDPB. They also support the sponsor department’s AO on his or her responsibilities toward the NDPB.

6 Responsibilities of the Chief Executive as NDPB Accounting Officer

General

6.1 The Chief Executive as Accounting Officer is personally responsible for safeguarding the public funds for which he or she has charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of the [named NDPB]. In addition, he or she should ensure that the [named NDPB] 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 to Managing Public Money.

Responsibilities for accounting to Parliament

6.2 The accountabilities include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;
- signing a Statement of Accounting Officer’s responsibilities, for inclusion in the annual report and accounts;
- signing a Statement on Internal Control regarding the system of internal control, for inclusion in the annual report and accounts;
ensuring that effective procedures for handling complaints about the NDPB are established and made widely known within the NDPB;

acting in accordance with the terms of this document, Managing Public Money and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office;

giving evidence, normally with the AO of the sponsor Department, when summoned before the PAC on the NDPB’s stewardship of public funds.

Responsibilities to the [named sponsor department]

6.3 Particular responsibilities to [named sponsor department] include:

• establishing, in agreement with the department, the [named NDPB’s] corporate and business plans in the light of the department’s wider strategic aims and current PSA(s);

• informing the department of progress in helping to achieve the department’s policy objectives and in demonstrating how resources are being used to achieve those objectives; and

• ensuring that timely forecasts and monitoring information on performance and finance are provided to the department; that the department is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the department in a timely fashion.

Responsibilities to the board

6.4 The chief executive is responsible for:

• advising the board on the discharge of the [named Board’s] responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time;

• advising the board on the [named NDPB’s] performance compared with its aim[s] 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;

• taking action as set out in paragraphs 3.7.5 of Managing Public Money if the board, or its chairman, 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, questionable feasibility, or is unethical.

7 The [named NDPB] Board

7.1 The board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control. The board must set up an Audit Committee chaired by an independent non-executive member to provide independent advice. The board is expected to assure itself of the effectiveness of the internal control and risk management systems.

7.2 The board is specifically responsible for:
• establishing and taking forward the strategic aims and objectives of the NDPB consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State;

• ensuring that the responsible minister is kept informed of any changes which are likely to impact on the strategic direction of the [named NDPB] or on the attainability of its targets, and determining the steps needed to deal with such changes;

• 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 sponsor department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by the sponsor department;

• ensuring that the board receives and reviews regular financial information concerning the management of the [named NDPB]; is informed in a timely manner about any concerns about the activities of the [named NDPB]; and provides positive assurance to the department that appropriate action has been taken on such concerns;

• 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;

• [where applicable] appoint [with the responsible minister’s approval] 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 utilization of public resources.

The chairman’s personal responsibilities

7.3 The chairman is responsible to the named minister. Communications between the [named NDPB] board and the responsible minister should normally be through the chairman. He or she is responsible for ensuring that policies and actions support the responsible minister’s [and where relevant other ministers’] wider strategic policies and that its affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout the NDPB.

7.4 In addition, the chairman 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; and

• representing the views of the board to the general public.

7.5 The chairman also has an obligation to ensure that:

• the work of the board and its members are reviewed and are working effectively;
• the board has a balance of skills appropriate to directing the [named NDPB] business, as set out in the Government Code of Good Practice on Corporate Governance;

• board members are fully briefed on terms of appointment, duties, rights and responsibilities;

• he or she, 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 [named NDPB] needs when board vacancies arise;

• he or she assesses the performance of individual board members when being considered for re-appointment;

• there is a code of practice for board members in place consistent with the Cabinet Office model Code.

*Individual board members’ responsibilities*

7.6 Individual board members should:

• comply at all times with the Board Members’ Code of Practice and with the rules relating to the use of public funds and to conflicts of interest;

• 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 [named NDPB].

*Annual report and accounts*

8.1 The [named NDPB] must publish an annual report of its activities together with its audited accounts after the end of each financial year. The [named NDPB] shall provide the department its finalised (audited) accounts by [30 June] each year.

8.2 The annual report must:

• cover any corporate, subsidiary or joint ventures under its control;

• comply with the Treasury’s Financial reporting Manual (FreM);

• outline main activities and performance during the previous financial year and set out in summary form forward plans.

8.3 Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. The report and accounts shall be laid in Parliament and made available on the [named NDPB’s] website, in accordance with the guidance in the FReM. A draft of the report should be submitted to the department [two weeks] before the proposed publication date. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the department as well as the FReM.

*Internal audit*
9.1 [Named NDPB] shall:
- establish and maintain arrangements for internal audit in accordance with the Treasury’s Government Internal Audit Standards (GIAS) (http://www.hm-treasury.gov.uk/...gia_guidance.cfm);
- ensure the sponsor department is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with GIAS 5.2;
- set up an audit committee of its board in accordance with the Cabinet Office’s Guidance on Code of Practice for Public Bodies and the Audit Committee Handbook;
- forward the audit strategy, periodic audit plans and annual audit report, including the [named NDPB] Head of Internal Audit opinion on risk management, control and governance as soon as possible to the sponsor department; and
- keep records of, and prepare and forward to the department an annual report on fraud and theft suffered by the [named NDPB] and notify the sponsor department of any unusual or major incidents as soon as possible.

9.2 The sponsor department’s internal audit service has a right of access to all documents prepared by the NDPB internal auditor, including where the service is contracted out.

10 External audit

10.1 The Comptroller & Auditor General (C&AG) audits the [named NDPB] annual accounts and lays them before Parliament, together with his report.

In the event that the [named NDPB] has set up and controls subsidiary companies, the [named NDPB] will [in the light of the provisions in the Companies Act 2006] ensure that the C&AG is appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. The NDPB shall discuss with the sponsor department the procedures for appointing the C&AG as auditor of the companies.

10.2 The C&AG:
- will consult the department and the NDPB on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG;
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from the [named NDPB];
- 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 [named NDPB];
- will, where asked, provide departments and other relevant bodies with Regulatory Compliance Reports and other similar reports which departments may request at the commencement of the audit and which are compatible with the independent auditor’s role.
10.3 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the NDPB 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 NDPB 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.

Right of access

10.4 The department has the right of access to all NDPB records and personnel for any purpose including, for example, sponsorship audits and operational investigations.

Management and financial responsibilities

11 Managing Public Money and other government-wide corporate guidance and instructions

11.1 Unless agreed by the department and, as necessary, HM Treasury, [Named NDPB] shall follow the principles, rules, guidance and advice in Managing Public Money, referring any difficulties or potential bids for exceptions to [named team] in [department] in the first instance. A list of guidance and instructions with which the NDPB should comply is in Appendix [?].

11.2 Once the budget has been approved by the sponsor department [and subject to any restrictions imposed by statute][the responsible minister’s instructions][this document], the NDPB shall have authority to incur expenditure approved in the budget without further reference to the sponsor department, on the following conditions:

- the NDPB shall comply with the delegations set out in Appendix 2. These delegations shall not be altered without the prior agreement of the sponsor department;
- the NDPB 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 NDPB shall provide the sponsor department with such information about its operations, performance individual projects or other expenditure as the sponsor department may reasonably require.

12 Corporate governance

Board appointments - the chairman and board members

12.1 The NDPB chairman and board members are appointed for a period of [three] years by the responsible minister. Such appointments will comply with the Code of Practice of the Office of the Commissioner on Public Appointments (www.ocpa.gov.uk/the_code_of_practice.aspx).

Board appointments – the chief executive
12.2 The chief executive is appointed by the responsible minister in consultation with [with the agreement of] the chairman.

**Composition of the board**

12.3 In line with the government’s Code of Practice on Corporate Governance (http://www.hm-treasury.gov.uk/...governance_corporate.cfm), the Board will consist of a chairman, together with [number] of executive members that have a balance of skills and experience appropriate to directing the NDPB’s business. For [named NDPB] there should be members who have experience of [add/delete as necessary or appropriate] its business, operational delivery, corporate services such as HR, IS, technology, property asset management, estate management, communications and performance management. The board should include [number] of independent non-executive members to ensure that executive members are supported and constructively challenged in their role.

**Risk management**

13.1 The [named NDPB] shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the Treasury guidance Management of Risk: Principles and Concepts (http://www.hm-treasury.gov.uk/...risk). It should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury’s guide: Managing the Risk of Fraud (http://www.hm-treasury.gov.uk/...fraud_guide_for_managers.pdf). It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.

**Corporate and business plans**

14.1 [By date] the [named NDPB] shall submit annually to the sponsor department a draft of the corporate plan covering [three] years ahead. The draft should be submitted by [date]. The NDPB shall agree with the department the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect the NDPB’s statutory 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 NDPB contributes to the achievement of the department’s PSA targets.

14.2 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, [a digest of] the corporate and business plans should be published by the NDPB on its website and separately be made available to staff.

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

- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives;
- key non-financial performance targets;
- a review of performance in the preceding financial year, together with comparable outturns for the previous [2-5] years, and an estimate of performance in the current year;
• alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
• other matters as agreed between the department and the NDPB.

15  **Budgeting procedures**

15.1 Each year, in the light of decisions by the department on the updated draft corporate plan, the department will send to the NDPB [by date]:

• a formal statement of the annual budgetary provision allocated by the department in the light of competing priorities across the department and of any forecast income approved by the department; and

• a statement of any planned change in policies affecting the NDPB.

15.2 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.

16  **Grant-in-aid and any ring-fenced grants**

16.1 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.

16.2 The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of need. The [named NDPB] 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 the NDPB. 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.

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

17  **Reporting performance to the department**

17.1 The NDPB 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. The NDPB 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 on a regularly [specify]. The NDPB’s performance shall be formally reviewed by the department twice a year. The responsible minister will meet the [board][chairman][chief executive] once a year.
Providing monitoring information to the department

17.2 As a minimum, the NDPB shall provide the department with information monthly that will enable the department satisfactorily to monitor:

- the NDPB’s cash management;
- its draw-down of grant-in-aid;
- forecast outturn by resource headings;
- other data required for the Combined On-line Information System (COINS).

NDPB/Department working level liaison arrangements

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

18 Delegated authorities

18.1 The NDPB’s delegated authorities are set out in [appendix 2]. The NDPB shall obtain the department’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 NDPB’s annual budget as approved by the department;
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the department;
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
- carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money.

19 NDPB staff

Broad responsibilities for NDPB staff

19.1 Within the arrangements approved by the responsible minister [and the Treasury] the NDPB will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
the performance of its staff at all levels is satisfactorily appraised and the NDPB performance measurement systems are reviewed from time to time;

its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the NDPB 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 http://www.civilservice.gov.uk/modelcode.

Staff costs

Subject to its delegated authorities, the NDPB 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

[NB the department should have regard to chapter 5 of the Cabinet Office Guide to Public Bodies that provides guidance on staff issues in public bodies (www.civilservice.gov.uk/other/agencies/guidance_for_departments/pb_guidance/index.asp).] NDPB staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by the sponsor department [and the Treasury]. The NDPB has no delegated power to amend these terms and conditions.

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 (www.civilservice.gov.uk/publications/doc/csmc_jun06.doc) except where prior approval has been given by the department to vary such rates.

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

The NDPB shall operate [a performance-related pay scheme that shall form part of the annual aggregate pay budget approved by the department or the general pay structure approved by the department and the Treasury whichever is applicable].

The travel expenses of board members shall be tied to the rates allowed to senior staff of the NDPB or departmental rates [whichever is applicable]. Reasonable actual costs shall be reimbursed.

The NDPB shall comply with the EU Directive on contract workers – the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations.

Pensions, redundancy and compensation

NDPB staff shall normally be eligible for a pension provided by [its own scheme][state second pension][PCSPS][LGPS][other]. Staff may opt out of the occupational pension scheme provided by the NDPB, but that employers’ contribution to any personal pension arrangement, including stakeholder pension shall normally be limited to the national insurance rebate level.
[Note that there is an exception for NDPBs covered by the PCSPS partnership arrangement, and for PCSPS by-analogy versions.]

19.10 Any proposal by the NDPB 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.

20 Review of NDPB status (and winding-up arrangements)

20.1 The NDPB will be reviewed every [5] years. The date of the next review will be in 20[?].

21 Arrangements in the event that the NDPB is wound up

21.1 The sponsor department shall put in place arrangements to ensure the orderly winding up of the NDPB. In particular it should ensure that the assets and liabilities of the NDPB 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:

- ensure that procedures are in place in the NDPB 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 NDPB’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 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 NDPB takes on the role, responsibilities, assets and liabilities, the succeeding NDPB AO should sign the closing accounts. In the event that the department inherits the role, responsibilities, assets and liabilities, the sponsor department’s AO should sign.

21.2 The NDPB shall provide the department with full details of all agreements where the NDPB 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 NDPB.

LIST OF APPENDICES TO THE SPECIMEN DOCUMENT

Appendix 1 - List of delegated authorities (not attached)
Appendix 2 - List of government-wide corporate guidance instructions (attached)

Signed..........  Signed..........  
Date..........  Date..........  
(On behalf of the department)  (On behalf of the NDPB)
APPENDIX 2 TO SPECIMEN DOCUMENT

Compliance with government-wide corporate guidance and instructions

The NDPB shall comply with the following general guidance documents and instructions:

- this document;
- Appropriate adaptations of sections of Corporate Governance in Central Government Departments: Code of Good Practice [http://www.hm-treasury.gov.uk/.../governance_risk/psr_governance_corporate.cfm];
- Managing Public Money (MPM);
- Government Internal Audit Standards, [http://www.hm-treasury.gov.uk/...gia_guidance.cfm];
- Management of Risk: Principles and Concepts: [www.hm-treasury.gov.uk/media/3/5/FE66035B-BCDC-D4B3-11057A7707D2521F.pdf];
- Managing the Risk of Fraud, [www.hm-treasury.gov.uk/media/C/3/managing_the_risk_fraud_guide_for_managers.pdf];
- Fees and Charges Guide, Chapter 6 of MPM;
- Departmental Banking: A Manual for Government Departments, annex 5.7 of MPM;
- relevant Dear Accounting Officer letters;
- Regularity, Propriety and Value for Money, [www.hm-treasury.gov.uk/media/A/2/Reg_Prop_and_VfM-November04.pdf];
- The Parliamentary Ombudsman’s Principles of Good Administration [www.ombudsman.org.uk/improving_services/good_administration/index.html];
- Consolidation Officer Memorandum, and relevant DCO letters;
- relevant Freedom of Information Act guidance and instructions (Ministry of Justice);
- Model Code for Staff of Executive Non-departmental Public Bodies (Cabinet Office);
- other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;
- other relevant instructions and guidance issued by the central Departments;
- specific instructions and guidance issued by the sponsor Department;
- recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the NDPB.