

This framework document has been drawn up by the Department for Transport (hereinafter DfT) in consultation with the British Transport Police Authority (hereinafter “the Authority”). This document sets out the broad framework within which the Authority will operate and replaces the previous Management Statement and Financial Memorandum. It should be read in conjunction with the Railways Transport and Safety Act 2003 (“RTSA 2003”). The definitions within the Act apply to this framework. The document does not convey any legal powers or responsibilities. It is signed and dated by the DfT and the Authority. 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 Authority website.

Subject to the legislation noted below, this document sets out the broad framework within which the Authority will operate, in particular:

- The Authority’s overall aim, objectives and targets in support of the sponsor Department’s wider strategic aims and objectives.
- The rules and guidelines relevant to the exercise of the Authority’s functions, duties and powers;
- The conditions under which any public funds are paid to the Authority; and
- How the Authority is to be held to account for its performance.

#### Purpose of the Authority

1.1 Under the RTSA 2003, the Authority was set up in July 2004 in order to support the strategic aims and current Public Service Agreement of the DfT. The strategic aim of the Authority is to ensure an effective and efficient police force and to oversee the British Transport Police (BTP) force, and set its targets and budget.

#### 1.2 Its statutory duties are to:

- Secure the maintenance of an efficient and effective police force;
- Ensure the efficient and effective policing of the railways;
- Appoint a Chief Constable, Deputy Chief Constable, Assistant Chief Constables, Chief Executive and Treasurer;
- Enter into Police Services Agreements with railway operators;
- Employ police constables, civilian employees and cadets;
- Regulate the governance, administration and conditions of service of those employed by the Authority in the service of the police force;
- Set a Strategy for policing the railway;
- Set objectives for BTP in its role in the policing of the railway;
- Issue an annual Railways Policing Plan; and
- Set a budget of expected income and expenditure for policing the railways each year, defray the expenses and recover the cost.

#### Governance and accountability

### 2. The Authority’s legal origins of powers and duties

2.1 The Authority’s powers and duties stem from sections 18 to 77 and Schedule 4 to the Railways and Transport Safety Act 2003.

### 3. Overall objectives

3.1 The Secretary of State has agreed that, subject to 1.2, the objectives of the Authority should be as follows:

- To draw up each year a sustainable budget for the BTP;
- To oversee the operation of the BTP with a view to securing the efficient, cost effective and effective policing service for rail operators and users;
- To ensure that the Chief Constable, Deputy Chief Constable, Assistant Chief Constables are appointed in an effective and timely manner;
- To ensure that appropriate Police Services Agreements are in place with all relevant railway operators and that Police Service Agreements are kept under review to ensure that they remain fit for purpose.

### 4. Ministerial responsibility

4.1 The Secretary of State for Transport will account for the Authority's business in Parliament.

4.2 The Secretary of State is accountable to Parliament for the activities and performance of the Authority. His or her responsibilities include:

- Issuing directions to the Authority in relation to strategic objectives under Section 51 of the Act;
- Keeping Parliament informed about the Authority's performance;
- Approving the amount of any grant-in-aid or grant to be paid to the Authority, and securing Parliamentary approval where required by this framework document.
- Carrying out responsibilities specified in the founding legislation including appointments to the Authority, approving the terms and conditions of Authority members, issuing rules and principles in relation to the terms and conditions of employment, and laying of the annual report and accounts before Parliament and before the Devolved Assemblies, where required.

4.3 The Secretary of State shall meet with the Chairman of the Authority at least annually, and ensure that the Chairman has right of access to other Ministers where necessary.

### 5. Sponsor Department's Accounting Officer's specific accountabilities and responsibilities

5.1 The DfT's Accounting Officer (AO) has designated the Chief Executive as the Accounting Officer for the Authority. (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 Authority Accounting Officer on appointment).

5.2 The DfT's AO is accountable to Parliament for the issue of any grant-in-aid to the Authority. The AO is also responsible for advising the responsible minister:

- On an appropriate framework of objectives and targets for the Authority in the light of the DfT's wider strategic aims and current PSA;
- On an appropriate budget in the light of the sponsor Department's overall public expenditure priorities; and
- How well the Authority is achieving its strategic objectives and whether it is delivering value for money.

5.3 DfT's AO is also responsible for ensuring arrangements are in place to:

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

5.4 The relevant Sponsorship Team in DfT is the primary contact for the Authority. They are the main source of advice to the responsible minister on the discharge of his or her responsibilities in respect of the Authority. They also support the DfT's AO on his or her responsibilities toward the Authority.

## 6 Responsibilities of the Chief Executive as the Authority's 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, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of the Authority. In addition, he or she should ensure that the Authority as a whole is run on the basis of the standards of governance, decision-making and financial management that are set out in Box 3.1 of Managing Public Money.

### Responsibilities for accounting to Parliament

6.2 The accountabilities include:

- signing the accounts and all component parts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about the Authority are established and made widely known within the Authority;
- acting in accordance with the terms of this document, Managing Public Money and other instructions and guidance issued from time to time by the DfT, Treasury and Cabinet Office;
- giving evidence, normally with the AO of the DfT, when summoned before the Public Accounts Committee on the Authority's stewardship of public funds.

### Responsibilities to the DfT

6.3 Particular responsibilities to the DfT include:

- establishing, in agreement with the DfT, the Authority's corporate and business plans in the light of the DfT's wider strategic aims and current Public Service Agreements;
- informing the DfT 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 DfT; that DfT 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 DfT in a timely fashion.

## Responsibilities to the Authority

### 6.3 The Chief Executive is responsible for:

- advising the board on the discharge of the Authority's responsibilities as set out in this document, in the founding legislation and in any other relevant legislation, instructions and guidance that may be issued from time to time;
- advising the board on the Authority's and BTP's performance compared with its
- aims and objectives;
- ensuring that financial considerations are taken fully into account by the Authority at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed;
- taking action as set out in paragraphs 3.8.6 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 Authority

7.1 The Chairman and Members of the Authority are appointed by the Secretary of State. Members are drawn from people who have experience of the rail industry, railway staff, and the travelling public, and others with designated experience but they are not intended to be representatives of those interests. There are also Members with knowledge of the interests of persons in England, Scotland and Wales, in the case of the latter two appointed in consultation with Scottish Ministers and the National Assembly for Wales respectively. In the Authority, Members work together and act as a single corporate body.

7.2 The Authority 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.

### 7.3 The Authority is specifically responsible for:

- establishing and taking forward the strategic aims and objectives of the Authority 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 Authority 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 DfT 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;
- reviewing regular financial information concerning the management of the

- Authority and BTP; is informed in a timely manner about any concerns about the activities of the Authority and Force; and provides positive assurance to DfT 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;
- appoint a chief executive and 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.
- in conjunction with the Chief Executive, appoint an Authority Finance Director to be inclusive of the statutory role of Treasurer

#### The Chairman's personal responsibilities

7.4 The Chairman is responsible to the named minister. Communications between the Authority 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 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 Authority.

7.5 In addition, the chairman has the following leadership responsibilities:

- formulating the Authority's strategy;
- ensuring that the Authority, in reaching decisions, takes proper account of guidance provided by the responsible minister or the department;
- promotes the efficient and effective use of staff and other resources;
- delivers high standards of regularity and propriety; and
- represents the views of the Authority to the general public.

7.6 The Chairman also has an obligation to ensure that:

- the work of the Authority and its members are reviewed and are working effectively;
- the Authority has a balance of skills appropriate to directing the Authority business, as set out in the Government Code of Good Practice on Corporate Governance;
- Authority members are fully briefed on terms of appointment, duties, rights and responsibilities;
- he or she, together with the other Authority 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 the Authority needs when member vacancies arise;
- he or she assesses the performance of individual members once a year;
- there is an Authority Operating Framework setting out the role and responsibilities of the Authority consistent with the Government Code of Good Practice for Corporate Governance
- there is a code of practice for members in place, consistent with the Cabinet Office Code of Conduct for Board members of Public Bodies.

#### Individual Authority members' responsibilities

7.7 Individual members should:

- comply at all times with the Code of Conduct for Board Members of Public Bodies 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 Authority's rules on the acceptance of gifts and hospitality, and of
- business appointments;
- act in good faith and in the best interests of the Authority.

#### Time Commitments

7.8 Authority Members are currently expected to give the following time to Authority business:

Chair	60 days per year
Deputy Chair	50 days per year
Members	30 days per year

7.9 Duties which qualify for remuneration are set out in Section 4 of the Members Allowances scheme but in summary include;

- Attendance at full Authority and Committee meetings
- Preparation time for meetings
- Consultation events/meetings
- Other meetings with officers/representatives from the Force

#### Member Appraisal

7.10 A Member shall receive an annual appraisal from the Chair relating to objectives that will have been agreed by the Member and the Chair at the beginning of the year. The appraisal shall be used as a base for the Chair's report to the Secretary of State in the event of the Member's reappointment for a further term.

#### Member Dismissal

7.11 A Member can be dismissed by the Secretary of State if:

- they are absent for three consecutive meetings without permission from the Authority;
- they are convicted of a criminal offence;
- the Secretary of State is satisfied that the Member is unable, unfit or unwilling to discharge his or her functions as a Member (whether because of illness or otherwise); or
- they are the subject of a bankruptcy restrictions order, a disqualification order under the Company Directors Disqualification Act 1986 or an order under section 429(2)(b) of the Insolvency Act 1986

#### Member Resignation

7.12 A Member of the Authority may resign by sending three months written notice to the Secretary of State which must be copied to the Authority.

#### Member Development

7.13 The Chair should address the developmental needs of the Authority as a whole with a view to enhancing its effectiveness. Resources should be provided for developing and refreshing the knowledge and skills of Members. Member development will come under the remit of the relevant committee dealing with HR issues.

#### 8. Annual report and accounts

8.1 The Authority must publish an annual report of its activities together with its audited accounts after the end of each financial year. The Authority shall provide the DfT with its finalised (audited) accounts by 30 June each year in order for the accounts to be consolidated within the DfT's accounts unless prevented by reasons outside its control.

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 Authority's website, in accordance with the guidance in the FReM. A draft of the report should be submitted to the DfT at least 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 DfT as well as the FReM.

## 9. Internal audit

9.1 The Authority shall:

- establish and maintain arrangements for internal audit in accordance with the Treasury's Public Sector Internal Audit Standards (PSIAS) (<http://www.gov.uk/government/publications/public-sector-internal-audit-standards>);
- ensure the DfT is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with PSIAS;
- 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;
- forward the audit strategy, periodic audit plans and annual audit report, including the Authority's Head of Internal Audit opinion on risk management, control and governance as soon as possible to the DfT; and
- keep records of, and prepare and forward to the DfT an annual report on fraud and theft suffered by the Authority and notify the DfT of any unusual or major incidents as soon as possible.

9.2 Subject to security clearance the DfT's internal audit service has a right of access to all documents, including where the service is contracted out.

## 10. External audit

10.1 The Comptroller & Auditor General (C&AG) audits the Authority annual accounts and lays them before Parliament, together with his report. In the event that the Authority has set up and controls subsidiary companies, it will 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 Authority shall discuss with the DfT the procedures for appointing the C&AG as auditor of the companies.

10.2 The C&AG:

- will consult the DfT and the Authority 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 Authority;
- will share with the DfT 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 DfT's responsibilities in relation to financial systems within the Authority;
- 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 Authority and Force have used their resources in discharging their 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 Authority and Force 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 Subject to security clearance the department has the right of access to all Authority records and personnel for any purpose including, for example, sponsorship audits and operational investigation.

#### Management and financial responsibilities

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

11.1 Unless agreed by the DfT and, as necessary, HM Treasury, the Authority shall follow the principles, rules, guidance and advice in Managing Public Money, referring any difficulties or potential bids for exceptions to the Sponsorship Team at DfT in the first instance. A list of guidance and instructions with which the NDPB should comply is in Appendix 1.

11.2 Once the budget has been approved by the Authority (see 15) and subject to any restrictions imposed by statute, the responsible minister's instructions and this document, the Authority shall have authority to incur expenditure approved in the budget without further reference to the DfT, on the following conditions:

- The Authority shall comply with the delegations set in out in Appendix 2. These delegations shall not be altered without the prior agreement of the sponsor department;
- the Authority 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 DfT approval where any proposed expenditure is outside the delegated limits or is for major new schemes not previously agreed;
- the Authority shall provide the DfT with such information about its operations, performance individual projects or other expenditure as the DfT may reasonably require.

##### 12. Corporate governance

#### Board appointments - the chairman and board members



12.1 The Authority chairman and board members are appointed for a period of years by the responsible minister. Such appointments will comply with the Commissioner on Public Appointments Code of Practice for Ministerial Appointments to Public Bodies

#### Board appointments – the Chief Executive

12.2 The Chief Executive is appointed by the Authority in accordance with RTSA 2003 Schedule 4, Part 2 para 11b

#### Composition of the board

12.3 Schedule 4 to the Railways and Transport and Safety Act 2003 sets out the statutory requirements which apply to the composition of the Authority Board. In addition, and in line with the government's Code of Practice on Corporate Governance (<http://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>), the Board will consist of a chairman and members who have a balance of skills and experience appropriate to directing the Authority's business.

### 13. Risk management

13.1 The Authority and BTP 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.hmtreasury.gov.uk/orange\\_book.htm](http://www.hmtreasury.gov.uk/orange_book.htm)). It should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury's guidance on tackling fraud ([http://www.wenarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing\\_the\\_risk\\_fraud\\_guide\\_for\\_managers.pdf.pdf](http://www.wenarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf.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.

13.2 The Chief Constable and the Chief Executive will create and maintain a strategic risk register. This will identify evaluate and describe mitigation and management measures in relation to all the key risks listed. The Register will be reported and debated quarterly at the Audit Committee before going to the Full Authority where any significant matters and recommendations for escalation to the DfT (whether resulting from consequential risk to the DfT or owing to further mitigation requiring the support of DfT) will be raised and debated and the register approved. Internal Audit will separately advise the Chief Executive and Chief Constable as Accounting Officers and the Audit Committee of their opinion on the accuracy and sufficiency of the register and the efficacy of the proposed mitigation and management measures.

13.3 The Authority Chief Financial Officer will brief the sponsorship team as soon as possible after the escalation decision is taken. Escalated risks will be monitored through the bi-monthly sponsorship meetings.

#### Governance Statement

13.4 As Accounting Officer the Chief Executive has to confirm the adequacy of all internal control systems and report on the same to the Comptroller and Auditor General. This Governance Statement will be prepared in accordance with Treasury guidance.

### 14. Strategic and policing plans

14.1 Every three years the Authority shall prepare a strategic plan covering three years ahead. The plan shall reflect the Authority'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 be copied to the Secretary of State. The Plan will be reviewed at the end of the first and second year.

14.2 The first year of the strategic plan, amplified as necessary, shall form the policing plan. The policing 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 DfT. Subject to any commercial considerations, the strategic and policing plans should be published by the Authority 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 previous 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 DfT and the Authority.

#### 15. Budgeting procedures

15.1 Each year the Authority shall set an annual budget, taking into account any specific directions issued by the Department, and provide a statement of such budget to the Department (the agreed net budget). The Department shall send to the Authority each year a statement of any planned changes in policies affecting the Authority.

15.2 When setting its budget, the Authority shall have regard to any impact on the Department's DEL and shall restrict such impact to limits agreed with the Department.

15.3 The approved annual policing plan will take account both of approved funding provision and 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 DfT funding and/or other income over the year.

#### 16. Grant-in-aid and any ring-fenced grants

16.1 Grant-in-aid provided by the DfT for the year in question will be voted in the DfT's Supply Estimate and be subject to Parliamentary control.

16.2 The grant-in-aid will normally be paid in instalments on the basis of written applications showing evidence of need. The Authority 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 Authority. 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 DfT 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.

## Emergency provision

16.3 Where the DfT provides the Authority with separate grants for specific (ring- fenced) purposes – such as funding for exceptional emergency work associated with a rail crash or terrorist incident - it will issue the grant as and when the Authority needs it on the basis of a written request. The Authority will provide evidence that the grant was used for the purposes authorised by the DfT. The Authority shall not have uncommitted specific grant funds in hand, nor carry specific grant funds over to another financial year.

## 17. Reporting performance to the DfT

17.1 The Authority 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 strategic and policing plans. The Authority shall inform the DfT 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 at its regular meetings with the appointed DfT officials. The Authority's performance shall be formally reviewed by the DfT twice a year. The responsible minister will meet the chairman and chief executive at least once a year.

### Providing monitoring information to DfT

17.2 As a minimum, the Authority and force shall provide the DfT with information monthly, normally at the time of submitting a claim for grant in aid if one is being made, that will enable the DfT satisfactorily to monitor:

- the Authority'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)

### The Authority/DfT working level liaison arrangements

17.3 Officials of the DfT Sponsorship Team will liaise regularly with the Authority officials to review financial performance against plans, achievement against the Authority targets and the Authority's expenditure against its DEL and AME allocations. The Sponsorship Team will also take the opportunity to explain wider policy developments that might have an impact on the Authority through regular sponsorship meetings and day to day contact.

## 18. Delegated authorities

18.1 The Authority's delegated authorities are set out in Appendix 2. The Authority shall obtain the DfT's prior written approval before:

- entering into any undertaking to incur any expenditure which is not provided
- for in the Authority's annual budget as approved by DfT.
- 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 DfT;
- 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. The Authority staff

##### Broad responsibilities for the Authority staff

19.1 Within the arrangements approved by the responsible minister and the Treasury the Authority will have responsibility for the recruitment, retention and motivation of 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 Authority 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 Authority's objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place;
- a code of conduct for staff is in place based on the Cabinet Office's Model Code for Staff of Executive Non-departmental Public Bodies [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/80082/PublicBodiesGuidance2006\\_5\\_public\\_body\\_staffv2\\_0.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuidance2006_5_public_body_staffv2_0.pdf).

##### Staff costs

19.2 Subject to its delegated authorities, the Authority 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

19.3 The Authority staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by DfT and, where necessary, the Treasury. The Authority has no delegated power to amend these terms and conditions. In considering the Authority staff matters, the DfT will have regard to Chapter 5 of the Cabinet Office Guide to Public Bodies that provides guidance on staff issues in public bodies ().

19.4 If civil service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the staff and to any other party entitled to payment in respect of travel expenses or other allowances, payment shall be made in accordance with the Civil Service Management Code (<https://www.gov.uk/government/publications/civil-servants-term-and-conditions>) except where prior approval has been given by the DfT to vary such rates. By virtue of the Railways and Transport Safety Act 200338 membership of or employment by the Authority is not employment in the civil service of the State.

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

19.6 If the Authority operate a performance-related pay scheme that shall form part of the staff annual aggregate pay budget approved by the DfT or the general pay structure approved by the DfT and the Treasury, whichever is applicable].

19.7 The travel expenses of Authority members shall be tied to the rates allowed to senior staff of the Authority. Reasonable actual costs shall be reimbursed.

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

#### Pensions, redundancy and compensation

19.9 The Authority staff shall normally be eligible for a pension provided by its own scheme. Staff may opt out of the occupational pension scheme provided by the Authority, but that employers' contribution to any personal pension arrangement, including stakeholder pension shall normally be limited to the national insurance rebate level.

19.10 Any proposal by the Authority to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the DfT on a case by case basis. Proposals on severance must comply with the rules in chapter 4 of Managing Public Money.

#### 20. Review of the Authority status

20.1 The Authority will be reviewed every five years. The next review will be due in 2019.

#### 21. Arrangements in the event that the Authority is wound up

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

- ensure that procedures are in place in the Authority 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 Authority'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 DfT inherits the role, responsibilities, assets and liabilities, the DfT's AO should sign.

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

## 22. Review of this Framework Document

22.1 The Framework Document is to be reviewed annually and any amendments discussed at the sponsorship meetings.

### LIST OF APPENDICES TO THE DOCUMENT

Appendix 1 – List of government-wide corporate guidance instructions

Appendix 2 – List of delegated authorities

Appendix 3 – checklist of actions for the Authority

Appendix 4 – checklist of actions for the Secretary of State

Signed on behalf of the DfT      Date

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Signed on behalf of the Authority      Date

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## APPENDIX 1: Compliance with government-wide corporate guidance and instructions

The Authority 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
- <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments> ;
- Code of Conduct for Board Members of Public Bodies [http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct\\_tcm6-38901.pdf](http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct_tcm6-38901.pdf)
- Code of Practice for Ministerial Appointments to Public Bodies <http://publicappointmentscommissioner.independent.gov.uk/wp-content/uploads/2012/02/Code-of-Practice-2012.pdf>
- Managing Public Money (MPM);
- Public Sector Internal Audit Standards, <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>;
- Management of Risk: Principles and Concepts: ; <https://www.gov.uk/government/publications/orange-book>
- HM Treasury Guidance on Tackling Fraud, [http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hmtreasury.gov.uk/d/managing\\_the\\_risk\\_fraud\\_guide\\_for\\_managers.pdf](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hmtreasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf) ;
- Government Financial Reporting Manual (FReM), <https://www.gov.uk/government/publications/government-financial-reporting-manual>;
- Fees and Charges Guide, Chapter 6 of Managing Public Money;
- Departmental Banking: A Manual for Government Departments, annex 5.6 of Managing Public Money;
- relevant Dear Accounting Officer letters <https://www.gov.uk/government/collections/dao-letters> ;
- Regularity, Propriety and Value for Money, [http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hmtreasury.gov.uk/psr\\_governance\\_valueformoney.htm](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hmtreasury.gov.uk/psr_governance_valueformoney.htm);
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration <http://www.ombudsman.org.uk/improving-public-service/> ombudsmansprinciples;
- 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) [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/80082/PublicBodiesGuide2006\\_5\\_public\\_body\\_staffv2\\_0.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf)];
- 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 ALB.