

# Hybu Cig Cymru – Framework Document

## March 2017

### Introduction

1. This Framework Document has been drawn up by the Agriculture, Sustainability and Development Division (ASDD) in consultation with Hybu Cig Cymru – Meat Promotion Wales (HCC). It sets out the broad framework within which HCC operates, and details the terms and conditions under which it must operate. A comprehensive overview of public financial management arrangements in Wales is provided by *Managing Welsh Public Money*. The document shall be reviewed from time to time by the Welsh Government and HCC jointly but at no more than five yearly intervals. Copies of the document together with any subsequent amendments have been placed in the Library of the National Assembly for Wales (the National Assembly) and made available to members of the public via the HCC website. The document has been signed and dated by ASDD and HCC.

2. The Welsh Government and its Arms Length Bodies (ALBs) have agreed the following Principles to govern relations between them:

### **Governing Principles defining relations between Welsh Government Arms Length Bodies and the Welsh Government**

#### **Joint mission and purpose**

- 1. Delivering for Wales.** ALBs play a key role in the governance of Wales and meeting the aspirations of Welsh citizens. From the perspective of the Welsh Government, the primary role of an ALB is to fulfil its statutory responsibilities and to meet objectives established by the Welsh Ministers using funds voted by the National Assembly of Wales. This relationship is conducted through a sponsorship arrangement managed on behalf of Ministers by the Welsh Government. ALBs have diverse organisational forms, including charities and quasi-judicial bodies and can cover different jurisdictions beyond Wales. Whilst respecting this diversity, Ministers look to ALBs primarily to deliver important functions and services for the people of Wales on their behalf.

- 2. Outcome focus and ALB performance.** Within the constraints set by statute and Ministerial commitments, ALB objectives will as far as possible be specified in terms of outcomes that are clear, relevant and challenging. To promote innovation and efficiency, ALBs shall be given as much flexibility as possible in how these outcomes are achieved. Individual remit letters should be no more prescriptive than the ALBs responsibilities require. However, the performance framework should assess the contribution of the ALB in achieving outcomes.

### **Relationships between the Welsh Government and ALBs**

- 3. Relationships defined by trust and risk.** The relationship between the Welsh Government and ALBs should be based on trust and mutual respect, with a proportionate approach to risk. Where there is evidence of poor performance or weak governance, the Welsh Government will adopt a more prescriptive 'hands-on' approach to the relationship. The Welsh Government will ensure its sponsorship functions perform effectively and meet the expectations set out in these principles.
- 4. Effective collaboration.** ALBs are highly valued for their expertise and experience. ALBs, the Welsh Government and the wider public sector recognise the importance of working together and building 'Team Wales', seeking opportunities for broader and deeper collaboration in policy development supporting each other and celebrating success. Opportunities to save money, identify efficiencies and improve effectiveness should be pursued energetically and jointly.
- 5. Effective communication.** ALBs and the Welsh Government form an extended family and undertake to maintain a consistent, respectful and collegiate approach to dealing with each other in public and private. All parties undertake to strive for effective communication, to be as open as possible, to share information on a 'no surprises' basis and to manage contentious matters through effective dialogue and mature negotiation.

### **Governance and accountability**

- 6. ALB chair and board.** The chairs of ALBs are important figures in Welsh public life and will be appointed in accordance with the Code of Practice for Ministerial Appointments to Public Bodies. ALB boards are accountable to Ministers for achieving the defined objectives, ensuring high quality corporate governance and for oversight of the ALB executive, including the Chief Executive.

- 7. Primary role of the board in ALB oversight.** Governance and the internal control regime should be a matter primarily for the ALB board. The Welsh Government will rely on the board, internal audit and Wales Audit Office for assurance. The sponsorship role should focus on accounting for delivery of objectives and the management of relationships between the ALB and the Welsh Government. Clear roles and expectations for Ministers, chairs, boards, executives, accounting officers, sponsorship divisions and auditors should be set out in the Framework Document.
- 8. Performance management.** Whilst we expect the norm to be good performance, effective governance and a respectful relationship, our approach must be capable of an effective response to poor performance or other problems. Where there is evidence of poor performance in relation to objectives, management of funds, board effectiveness or other aspects of governance, the Welsh Government has both the right and responsibility to become more involved and more prescriptive. Performance management will be risk-based, relying on evidence of robust internal control to support a lighter touch or alternatively to apply a stronger grip where risks are managed less satisfactorily.
- 9. Delegation.** Welsh Government and ALB accounting officers remain jointly accountable for public funds spent through ALB sponsorship. However, the routine sponsorship management regime should be only as prescriptive as necessary to be assured public funds are managed correctly and outcomes are being achieved cost-effectively. Financial responsibility will be delegated to the extent possible, consistent with Welsh Ministers and accounting officer responsibilities.
- 10. Responding to change.** In a changing world and with changing ministerial priorities, it may be necessary to reshape the functions and methods of service delivery of ALBs or, where more appropriate, to review the continued relevance of their objects and constitutional arrangements. The Welsh Government may from time to time conduct in-depth organisational or thematic reviews to ensure its ALBs remain fit for purpose and to make proposals for reform.

3. In addition, HCC must ensure, in carrying out its functions, it does so in a way which is consistent with the Welsh Government's Citizen-Centred Governance Principles which incorporate the Seven Principles of Public Life set out by the Committee on Standards in Public Life (the Nolan Committee):

- putting the Citizen First;
- knowing Who does What and Why;
- engaging with Others;
- living Public Service Values;
- fostering Innovative Delivery;
- being a Learning Organisation; and
- achieving Value for Money.

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## **1. Purpose of Hybu Cig Cymru**

- 1.1 Hybu Cig Cymru – Meat Promotion Wales (HCC) is a company limited by guarantee (Company No: 4635113) wholly owned by the Welsh Government. Its main purpose is to develop, promote and market Welsh red meat.
- 1.2 The Red Meat Industry (Wales) Measure 2010 (the Measure) gives the Welsh Ministers the power to deliver on the statutory objectives of increasing efficiency or productivity in the red meat industry; improving marketing in that industry; improving or developing services that the industry does or could provide to the community; improving the ways in which the industry contributes to sustainable development. The Measure sets out at Schedule 1 statutory functions of the Welsh Ministers for the purpose of furthering the objectives. The Measure gives the Welsh Ministers power to delegate their functions under the Measure. The Welsh Ministers have exercised their power and delegated functions under the Measure to HCC. The overall aims of HCC are set out in its corporate plan and annual operational plan.

## **2. Governance and Accountability**

### **2.1 Legal Origins of Powers and Duties**

- 2.1.1 Section 7 of the Measure gives the Welsh Ministers power to delegate their functions under the Measure. A delegation agreement made between the Welsh Ministers and HCC on 28 March 2008 (“the Delegation Agreement”) delegated all of the functions set out in the Measure to HCC. This Framework Agreement shall impose requirements which are consistent with and do not conflict with the Delegation Agreement.

### **2.2 Roles and Responsibilities**

#### ***Ministerial Responsibility***

- 2.2.1 The First Minister has allocated responsibility for the oversight of HCC to the Cabinet Secretary for the Environment and Rural Affairs (the Minister). The Minister generally exercises functions of the Welsh Ministers in relation to HCC. The Minister sets the policy framework for HCC and is accountable to the National Assembly for its activities. The Minister shall meet with the Board of HCC each year to review performance and discuss current and future activities.

#### ***Accountabilities and Responsibilities of the Principal Accounting Officer***

- 2.2.2 The Principal Accounting Officer for the Welsh Ministers is the Permanent Secretary to the Welsh Government. He/she has responsibilities specified by HM Treasury and is accountable to the National Assembly (through the National Assembly’s Public Accounts Committee) and to the UK Parliament (through the House of Commons Committee on Public Accounts) for:

- the regularity and propriety of the Welsh Government's finances;
- the keeping of proper accounts of the Welsh Ministers; and
- the effective and efficient use of resources.

2.2.3 The Principal Accounting Officer is also responsible for ensuring the financial and other management controls applied across the Welsh Government are appropriate and sufficient to safeguard public funds. He/she is assisted in these duties by the Deputy Permanent Secretary – Economy, Skills and Natural Resources whom he/she has designated as an Additional Accounting Officer (AAO) and to whom he/she has delegated responsibility for HCC.

***Sponsor Department's Additional Accounting Officer's Accountabilities and Responsibilities***

2.2.4 The Deputy Permanent Secretary – Economy, Skills and Natural Resources is the sponsor department's AAO. He/she is responsible to the Minister and the National Assembly for ensuring financial and other management controls applied by HCC conform with the requirements of both propriety and good financial management. Accordingly, the AAO is responsible for ensuring an adequate statement of the financial relationship between the Welsh Ministers and HCC is in place and is reviewed regularly; and for the quality of the Welsh Government's relationship with HCC.

2.2.5 The AAO is accountable to the National Assembly and for advising the Minister:

- on an appropriate framework of objectives and targets for HCC in the light of the department's wider strategic aims and key delivery and performance indicators.
- on how well HCC is achieving its strategic objectives within the policy and resources framework determined by the Minister and whether it is delivering value for money.

2.2.6 The AAO is also responsible for ensuring arrangements are in place to:

- monitor HCC's activities and its financial position through regular meetings and returns;
- address any significant problems that might arise within HCC, making such interventions as are judged necessary;
- periodically carry out an assessment of the risks both to the department and HCC's objectives and activities;
- inform HCC of relevant government policy in a timely manner;
- bring to the attention of HCC's board any concerns about the activities of HCC, requiring explanations and assurances remedial action will be taken; and
- designate the Chief Executive of HCC as its Accounting Officer.

2.2.7 The AAO has delegated responsibility for the day to day management of relations with HCC to the Deputy Director of Agriculture, Sustainability and Development Division, who heads the sponsor team within the Welsh Government.

### ***Sponsor Team***

2.2.8 The Agriculture, Sustainability and Development Division (ASDD) in the sponsor department is the primary contact for HCC. It is the main source of advice to the Minister on the discharge of his/her responsibilities in respect of HCC. It also supports the sponsor department's AAO on his/her responsibilities towards HCC. Officials of the sponsor team will liaise regularly with HCC officials to review its financial performance against plans and the achievement against targets. The sponsor team will also take the opportunity to inform and explain wider policy developments which might impact on HCC. Further information about the sponsor branch's responsibilities can be found at Annex 1.

### ***Accountabilities and Responsibilities of the Chief Executive as HCC Accounting Officer***

#### *General*

2.2.9 The specific responsibilities of the HCC Accounting Officer are set out in the Welsh Government's Memorandum "The Responsibilities of an Arms Length Body (ALB) Accounting Officer". As accounting officer the Chief Executive is personally responsible for the proper stewardship of the public funds for which he or she has charge; for the day-to-day operations and management of HCC; and for ensuring compliance with the requirements of Managing Welsh Public Money. The Chief Executive may be assisted in the exercise of his or her role by employees of HCC. The Chief Executive may also delegate the day-to-day administration of these responsibilities to those employees but remains responsible and accountable under this document.

#### *Accountabilities to the National Assembly*

2.2.10 The ALB AO is accountable to the National Assembly for the following:

- signing the accounts and ensuring proper records are kept relating to them;
- ensuring the accounts are prepared and presented in accordance with any directions issued from the Welsh Ministers;
- signing a statement of Accounting Officer's responsibilities for inclusion in the annual report and accounts;
- signing the Governance Statement for inclusion in the Annual Report and Accounts;



- giving evidence, including attending hearings, on matters relating to HCC which arise before the National Assembly's Public Accounts Committee, other committees of the National Assembly, the House of Commons Committee on Public Accounts or other Parliamentary Committees, to account for HCC's stewardship of public resources; and
- acting upon any recommendations of those committees have been accepted by the Welsh Government.

#### *Accountability to the Sponsor Department*

2.2.11 The ALB AO is accountable to the sponsor team for the following:

- establishing, in agreement with the sponsor team, the HCC's corporate and operational plans;
- informing the sponsor team of progress in helping to achieve the department's policy objectives and demonstrating how resources are being used to achieve those objectives;
- ensuring timely forecasts and monitoring information on performance and finance are provided to the sponsor team; the sponsor team is notified if overspends are likely and confirmation that corrective action is being taken
- ensuring significant problems are notified to the sponsor team as quickly as possible; and
- providing the sponsor team with such information about its performance and expenditure as the sponsor team may reasonably require.

#### *Responsibilities in respect of the HCC Board*

2.2.12 He/she is also responsible for:

- advising the board on the discharge of its responsibilities as set out in this document, relevant legislation, the Minister's annual Remit letter or other communication; and any other guidance which may issue from time to time;
- advising the board on HCC's performance against its aims and objectives;
- ensuring financial considerations are taken fully into account by the board at all stages in reaching and executing its decisions and suitable financial appraisal techniques are followed;
- ensuring a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
- ensuring robust internal management and financial controls are introduced, maintained and reviewed regularly - including measures to protect against fraud and theft (such measures to incorporate a comprehensive system of internal delegated authorities); establishing procedures for handling complaints about HCC; and developing and

maintaining appropriate personnel management policies, all of which shall be readily available to all staff; and

- taking action as appropriate in accordance with the terms of the accounting officer's memorandum 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, or, efficiency or effectiveness, questionable feasibility or is unethical.

### ***The Chief Executive's role as Consolidation Officer***

2.2.13 The Chief Executive is designated by HM Treasury as the HCC Consolidation Officer for the purposes of Whole of Government Accounts and must comply with the requirements of the Consolidation Officer Memorandum.

### ***The Chief Executive's role as Principal Officer for Ombudsman Cases***

2.2.14 The Chief Executive is also the Principal Officer for handling cases involving the Public Service Ombudsman for Wales.

### ***The HCC Board***

2.2.15 The Chair and board members are appointed for a period of three years by the Minister. Such appointments are made in accordance with the Commissioner of Public appointments' Code of Practice.  
<https://www.publicappointmentscommissioner.org/web-app/plugins/spaw2/uploads/files/Code%20of%20Practice%20August%202005.pdf>

It is acknowledged that the Director's obligations and duties as set out in the Agreement shall be subject at all times to their legal and fiduciary duties to HCC, including (without limitation) the duties imposed on the Directors by the Companies Act 2006.

### ***Collective Responsibilities***

2.2.16 The role of the board is to:

- provide effective leadership; defining and developing strategic direction and setting challenging objectives;
- promote high standards of public finance, upholding the principles of regularity, propriety and value for money;
- ensure that HCC's activities are conducted efficiently and effectively; and
- monitor performance to ensure HCC fully meets its aims, objectives and performance targets.

2.2.17 To do this the board must ensure effective arrangements are in place to provide assurance on risk management, governance and internal control. It must establish an Audit Committee chaired by a non-executive member (but

not the Chair or Treasurer) to provide it with independent advice. The board is expected to assure itself of the effectiveness of the internal control and risk management systems.

2.2.18 The personal responsibility of the Chief Executive as Accounting Officer to ensure regularity, propriety and value for money in no way detracts from that of members of the Board, who each have a duty to act in a way which promotes high standards of public finance and for ensuring HCC's activities are conducted in an efficient and effective manner. It must not give the Chief Executive instructions which conflict with his/her duties as the HCC's Accounting Officer.

2.2.19 In particular the board is responsible for:

- establishing and taking forward the strategic aims and objectives of HCC consistent with its overall purpose and within the policy and resources framework determined by the Minister;
- ensuring the Minister is kept informed fully of any changes likely to impact on the strategic direction of HCC or on the attainability of its targets, and of steps needed to deal with such changes;
- ensuring compliance with any statutory or administrative requirements in respect of the use of public funds; it 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, in reaching decisions, it takes into account guidance issued by the Welsh Government;
- ensuring it receives and reviews regularly, financial information concerning the management of HCC; it is informed in a timely manner about any concerns as to the activities of HCC; and, where applicable, it provides positive assurance to the Minister via the sponsor team that appropriate remedial action has been taken to address any such concerns;
- demonstrating high standards of corporate governance at all times, including by using the audit committee to help the board to address key financial and other risks; and
- appointing [with the prior approval of the Minister] a Chief Executive.

2.2.20 The board may, to the extent permitted by the Measure delegate to staff responsibility for the administration of day-to-day management issues but it remains ultimately responsible and accountable for all those matters. HCC must maintain a list of matters which are reserved for decision by its board as well as a scheme of delegation approved by the board.

#### *The Chairperson's Personal Responsibilities*

2.2.21 The chairperson is accountable to the Minister [and to the Board]. Communications between the HCC board and the Minister shall, in the normal course of business, be conducted through the Chairperson. The Chairperson shall ensure other board members are kept informed of all such

communications. He or she is responsible for ensuring the board's policies and actions support the Minister's wider strategic policies and its affairs are conducted with probity. Where appropriate these policies and actions must be communicated and disseminated throughout HCC.

2.2.22 The Chairperson has a particular leadership responsibility regarding:

- formulating the board's strategies;
- ensuring the board, in reaching decisions, takes proper account of statutory and financial management requirements and all relevant guidance including guidance provided by the Welsh Ministers;
- promoting the economic, efficient and effective use of staff and other resources;
- ensuring high standards of regularity and propriety; and
- representing the views of the board to the public.

2.2.23 The Chairperson must also:

- ensure all board members are briefed fully on the terms of their appointment and on their duties, rights and responsibilities;
- ensure he or she, together with other board members, receive appropriate training, including on the financial management and reporting requirements of public sector bodies and on the differences which might exist between private and public sector practice;
- ensure the board has a balance of skills appropriate to directing HCC's business, and advise the Minister, in instances where appointments are to be made by him or her, on the needs of HCC when board vacancies arise;
- assess the performance of individual board members in accordance with the arrangements agreed with the sponsor team;
- ensure a Code of Conduct for Board Members is in place consistent with the Welsh Government model Code.

#### *Individual Board Members' Responsibilities*

2.2.24 In undertaking their duties and responsibilities board members shall:

- comply at all times with HCC's Code of Conduct for Board Members, and with the rules relating to the use of public funds and conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or political profit, nor seek to use the opportunity of public service to promote their private interests or those of persons or organisations with whom they have a relationship;
- comply with HCC's rules on the acceptance of gifts and hospitality, and of business appointments; and
- act always in good faith and in the best interests of HCC.

## **2.3 Accounting Arrangements and Audit**

### ***Annual Report and Accounts***

2.3.1 The statutory accounting and reporting requirements are set out in Companies Act 2006.

#### *Statutory Accounts*

2.3.2 Each financial year HCC must prepare accounts in accordance with the Accounts Direction issued by the Welsh Ministers, the relevant statutes / Royal Charter and the FReM / charity SORP. As soon as the audit of the accounts is complete, HCC shall submit to the Auditor General for Wales (AGW) the signed accounts together with a letter of representation. Two copies of the signed accounts shall also be forwarded to the sponsor department. The Minister will lay the accounts before the National Assembly for Wales.

#### *Annual Report*

2.3.3 As soon as possible after the end of each financial year, HCC shall publish a report of its activities to permit the National Assembly, other clients and the public to judge its success in meeting its targets. The precise format of the published annual report will be discussed with the sponsor team.

2.3.4 The Annual Report must be submitted to the Minister prior to its formal publication. A draft of the report shall be submitted to the sponsor department at least ten working days before printing.

2.3.5 The annual report must:

- outline HCC's main activities and performance during the previous financial year;
- report on performance against key performance indicators and other deliverables and outline progress in taking account of the Welsh Government's cross-cutting themes;
- report on the activities of any corporate bodies under its control;
- include either a summary of HCC's audited accounts or publish the full audited accounts within a single document.

2.3.6 A copy of the Annual Report must be laid before the National Assembly, after the accounts have been audited. The Report may not be published until after it has been laid before the National Assembly.

2.3.7 HCC shall liaise with the AGW and the sponsor team regarding the precise timetable for publication and laying of the Annual Report and the accounts.

### ***Audit Committee***

2.3.8 HCC must establish an Audit Committee to advise its Accounting Officer on the adequacy of arrangements within HCC for internal audit, external audit and corporate governance matters. HCC shall share with their sponsor team copies of the minutes of their Audit Committee meetings. The sponsor team also has a right to attend any meeting of the Audit Committee if circumstances require it.

### ***Internal Audit***

2.3.9 HCC must:

- establish and maintain arrangements for internal audit in accordance with the objectives, standards and practices described in HM Treasury's Government Internal Audit Standards;  
[http://www.hm-treasury.gov.uk/d/internalaudit\\_300409.pdf](http://www.hm-treasury.gov.uk/d/internalaudit_300409.pdf)
- if the function is provided in-house ensure arrangements are made for external quality reviews of its internal audit at least once every five years and in accordance with Government Internal Audit Standards. The Welsh Government shall consider whether it can rely on these reviews to provide assurance on the quality of HCC's internal audit;
- each year, following approval by HCC's Accounting Officer and its Audit Committee, submit to the sponsor team the audit strategy, periodic audit plans and annual audit report, including the Head of the Internal Audit Service's opinion on risk management, control and governance; and
- notify the sponsor team as soon as possible of any changes to the terms of reference of its Internal Audit arrangements and/or its Audit Committee.

2.3.10 The Welsh Government shall:

- assess the effectiveness of HCC's internal audit arrangements by scrutiny of their plans for future activity, reports on past activity and its annual assurance report (as prepared by HCC's Head of the Internal Audit Service); and
- have a right of access to all documents prepared by HCC's internal auditor, including where the service is contracted out.

### ***External Audit***

2.3.11 The AGW is HCC's statutory external auditor appointed by agreement under the Government of Wales Act 2006.

2.3.12 The AGW shall send a copy of its final Additional Assurance Report and Management letter to the Additional Accounting Officer of the sponsor department. Under section 145 of the Government of Wales Act 1998 the AGW may carry out examinations into the economy, efficiency and effectiveness with which HCC has used its resources in discharging its functions. Under section 145A, the AGW may undertake studies designed to enable him or her to make recommendations for improving economy, efficiency and effectiveness in the discharge of functions of bodies, and other studies relating to the provision of services. For the purposes of these examinations, as well as the statutory financial audit, the AGW has a statutory right of access to documents. The Comptroller and Auditor General shall also have rights of access by virtue of section 136 of the Government of Wales Act 2006. In addition, HCC shall provide, in conditions to grants and contracts, for the AGW 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 AGW to any other documents required by the AGW which are held by other bodies.

### ***Sponsor Department's Right of Access***

2.3.13 Should any significant concerns arise the sponsor team has a right of access to all of HCC's records and personnel for monitoring purposes including, for example, sponsorship audits and operational investigations.

## **3. Management Arrangements**

### **3.1 General**

3.1.1 Unless otherwise agreed in writing by the sponsor team, HCC shall at all times follow the principles, rules, guidance and advice in Managing Welsh Public Money and this document, referring any difficulties or potential bids for exceptions to the sponsor team in the first instance. A list of the guidance and instructions with which HCC must comply is at annex 2.

3.1.2 HCC must ensure always its relationship with the Welsh Government is recognised appropriately through the use of the Welsh Government's sponsor brand mark.

3.1.3 In pursuit of its aims HCC shall work closely with other organisations in Wales including the private sector, local authorities and the voluntary sector reflecting the commitments in the Welsh Ministers' partnership agreements with the voluntary, business and local government sectors.

### **3.2 Hybu Cig Cymru Staff**

#### ***Recruitment, retention and management of staff***

3.2.1 Within the arrangements approved by the Minister, HCC is responsible for the recruitment, retention and motivation of staff subject to the following general requirements:

- in the recruitment, management and progression of staff HCC will follow the principles of regularity and propriety in expending resources as set out in “Managing Welsh Public Money”, in particular Chapter 4 which deals with internal management and governance structures;
- HCC may determine its own structure with the exception of:
  - the creation or re-grading of any senior management post which reports directly to the Chief Executive;
  - any proposal to create a new post at, or to re-grade a post to, a level which is not already represented in the staff structure; or
  - any proposal to re-grade all posts at a particular grade.
- HCC may vary the total number of staff employed to reflect changes in the scale of its operations or functions. The associated pay and related costs must be adjusted accordingly and agreed by the sponsor team;
- subject to its delegated levels of authority, HCC must ensure the creation of any additional posts does not incur forward commitments which shall exceed its ability to fund them;
- staff management and development policies will be in place which reflect arrangements for staff appraisal and performance management including training and development to encourage staff to obtain relevant professional, managerial and any other skills and behaviours necessary to carry out their roles;
- HCC will have in place a Code of Conduct for its staff;
- HCC will have in place appropriate grievance and disciplinary procedures and appropriate arrangements to handle any staff concerns there may be regarding impropriety;
- meaningful consultation with staff will be undertaken on matters which affect them.

### ***Pay and Conditions of Service***

3.2.2 All staff of HCC shall be subject to overall levels of remuneration and terms and conditions of service (including superannuation) as have been outlined in HCC’s contract of employment. Any changes to those terms and conditions, including levels of remuneration, must be authorised by the Minister.

3.2.3 HCC has no delegated powers to amend its overall terms and conditions. However, HCC may vary individual contracts of employment without the prior agreement of the Minister provided any changes are within the overall framework of the terms and conditions approved by the Minister. In cases of doubt, HCC should approach the sponsor team.



- 3.2.4 Terms and conditions for staff of HCC are set out in its documentation. Copies of the relevant documentation must be provided to sponsor team upon request and after amendment.

### ***Pay Remits***

- 3.2.5 HCC shall present to the sponsor team a detailed case for its proposed annual pay remit for pay. This will be through HCC's operational plan which is signed off by the Minister; it will need to reflect the latest Welsh Government ALB Pay Guidance, be fully costed and shown to be affordable in the period covered by the pay remit and future years. HCC is expected to operate a system which provides staff with equality of opportunity for progression. HM Treasury has overall responsibility for public sector pay policy and for ensuring pay awards are consistent with the UK Government's overall objectives.
- 3.2.6 The sponsor team must be satisfied all pay arrangements have been subject to an equal pay audit and, in addition, will require evidence from time to time independent quality assurance arrangements which meet this requirement have been carried out.
- 3.2.7 HCC will need to take account of the HM Treasury publication of May 2012, "Review of the Tax Arrangements of Public Sector Employees". This Guidance confirms the need for all staff to be paid through payroll arrangements.

### ***Staff Benefits and Non-Pay Rewards***

- 3.2.8 In considering gifts or non-pay rewards to staff or board members HCC must take a view on whether such a course of action represents an appropriate use of public money. In devising staff benefits or non-pay reward schemes HCC must pay attention to HM Treasury's "Regularity, Propriety and Value for Money" and the Welsh Government's "Managing Welsh Public Money".

### ***Pensions and PAYE***

- 3.2.9 Eligible staff of HCC will be enrolled automatically onto its approved occupational pension scheme in accordance with the Workplace Pension Reforms set out in the Pensions Act 2008 and the Occupational and Personal Pension Schemes (Automatic Enrolment) (Amendment) Regulations 2012. Details as to the number of staff opting out of the occupational pension scheme after being automatically enrolled may be required from time to time by the sponsor team.
- 3.2.10 From April 2013, employers will be legally required to report PAYE in real time. Employers and pension providers will inform HM Revenue and Customs (HMRC) about tax, national insurance contributions and other deductions when or before the payments are made, instead of waiting until after the end of the financial year.

## ***Redundancy, Severance and Compensation***

3.2.11 Any redundancy payments or payments of other compensation for loss of office must be made in accordance with a scheme approved by the sponsor team. Any proposal to make payments outside of an approved scheme will require prior written approval from the sponsor team. Proposals on severance must comply with the rules set out in Chapter 4 of “Managing Welsh Public Money”. Any re-employment of staff following redundancy/severance compensation must be agreed by the sponsor team prior to any discussion with the person concerned. The overriding principle is any member of staff compensated for loss of office/employment will not be re-employed by HCC during the notional period to which and payment equates.

## **3.3 Planning Framework**

### ***Budget Planning***

3.3.1 The Welsh Government’s budget planning arrangements are governed by the requirements of the Government of Wales Act 2006 and the Standing Orders of the National Assembly.

3.3.2 HCC shall co-operate with the sponsor team in providing the necessary assistance and information to the Welsh Government to take forward its budget planning decisions.

3.3.3 The Minister will confirm the amount of funding to be provided to HCC and any other relevant budgets as soon as possible, and normally no later than one month, after the final budget has been agreed by the National Assembly.

### ***Business Planning***

#### *Remit Letters*

3.3.4 The Minister shall discuss with HCC a draft remit letter setting out the Government’s policy aims and areas for key performance indicators. The final remit letter will be issued as soon as possible after the -operational plan has been prepared by HCC and approved by the Welsh Government.

#### *Corporate Plans*

3.3.5 Following publication by the Welsh Government of a strategic agenda, HCC shall produce a corporate plan. This plan must be developed within the policy framework set by the Welsh Government and cover the period of the strategic agenda. Corporate plans will be rolled forward year on year in consultation with the sponsor team as they develop their own Plans.

#### *Operational Plans*

3.3.6 HCC shall prepare an annual operational plan setting out the level of service to be achieved in key areas and the performance and output information

shall be collected to monitor progress. The operational plan will inform the Minister's remit letter, the Welsh Government's strategic agenda and HCC corporate plan. It is for the board to determine the precise content of their plan, in consultation with the sponsor team.

### *Approval of Plans*

- 3.3.7 The timetable for the preparation and submission of the corporate and operational plans shall be agreed with the sponsor team. Both the corporate and operational plans will be approved by the Minister and made available to the public.

## **3.4 Performance Management**

- 3.4.1 HCC shall operate management, information and accounting systems to enable it to review in a timely and effective manner its financial and non-financial performance against the targets set out in the corporate and operational plans. It shall inform the sponsor team of any changes which make achievement of objectives more or less difficult.
- 3.4.2 Each quarter, HCC shall provide a report to the sponsor team which sets out the progress towards meeting the key targets set out in the operational plan. The report must also include details of actual expenditure for the year to date against the approved budgets together with forecast expenditure figures for the year and explanations of any significant differences and issues. Wherever possible the reporting format will be consistent with HCC's arrangements for reporting to its board.
- 3.4.3 HCC and the sponsor team shall meet once a quarter to discuss these progress reports. HCC will also meet the Minister twice a year to discuss progress.

## **3.5 Periodic Review**

- 3.5.1 The sponsor team may decide to undertake a formal governance review, with the agreement of HCC in the circumstances where a particular concern arises.

## **3.6 Subsidiary Companies and Joint Ventures**

- 3.6.1 HCC shall not establish subsidiary companies or joint ventures which involve setting up special purpose vehicles – such as companies, partnerships or any other structure with legal identity and liability – without securing the prior written approval of the sponsor team.
- 3.6.2 Any subsidiary company or joint venture controlled or owned by HCC shall be consolidated with it, as required by accounting standards and, unless agreed

otherwise by the sponsor team; shall be subject to the controls and requirements set out in this document, and to any such other further provisions set out in pertinent guidance and instructions.

## **4. Financial Responsibilities**

### **4.1 Expenditure**

4.1.1 Subject to any restrictions imposed by the Measure, directions of the Welsh Ministers, or by this document, HCC may, as soon as its budget has been approved by the Minister, incur expenditure on the programme approved in its annual budget without further reference to the sponsor team, subject to the following conditions:

- In accordance with section 4(2) of the Measure HCC shall not use funding raised by a levy paid by persons in respect of activities in the cattle sector, the sheep sector or the pig sector for the purpose of meeting expenditure incurred or to be incurred in relation to a different sector;
- In accordance with clause 3.5.2 of the Delegation Agreement HCC shall use funding raised by the levy collected by HCC solely in connection with the performance of the Delegation Agreement.
  
- HCC shall comply with the delegations set out in Annex 3. These delegations must not be modified or breached without the written agreement in advance of the sponsor team;
- HCC must notify the sponsor team in advance of proceeding with:
  - any proposal which could be considered to be novel, contentious or repercussive;
  - any change of policy or practice which has wide financial implications;
  - anything that might affect the future level of resources required; or
  - any significant change in the operation or funding of any initiative or particular scheme approved by the sponsor department;
  
- HCC shall follow the policy framework set out in Managing Welsh Public Money in relation to the procurement of goods and services;
- HCC shall resist requests for payment in advance except in exceptional cases where it is considered some payment may be necessary. In such cases, the principles set out in Managing Welsh Public Money must be observed;
- HCC shall consult the sponsor team before entering into any property lease agreement. The sponsor team must also approve in advance any proposals to relocate or move to new accommodation;

- HCC must be open and transparent in its approach to gifts and have clear policies on disclosing information about, and the procedures adopted for, making any gifts.

### ***Investments***

4.1.2 HCC shall not make any investments without securing the prior written approval of the sponsor team except in respect of short-term deposits of cash surpluses.

### ***Grants and Loans***

4.1.3 Any grants must comply with the terms of Managing Welsh Public Money and be made subject to appropriate terms and conditions which provide adequate protection for the public purse. Terms and conditions must, for example, allow for phased payments, reinforce rights of access for Welsh Government officials and the Auditor General for Wales, ensure Welsh Government's financial interests are adequately protected, and allow for clawback in certain circumstances, eg if grant monies are used other than for approved purposes.

4.1.4 Any loan schemes must be managed under similar arrangements.

## **4.2 Funding**

4.2.1 The primary source of funding for HCC is the levy which the Welsh Ministers have the power under section 4 of the Measure to impose ("the Levy"). These levy funds shall be treated as public funds.

All the streams of income mentioned in the following paragraphs ('Income from Exchequer Sources' and 'Income from Non-Exchequer Sources'), shall be treated as public funds and the requirements of this document shall apply equally to them.

### ***Income from Exchequer Sources***

#### *Grant-in-aid*

4.2.2 No grant-in-aid is payable to HCC.

### ***Income from Non-Exchequer Sources***

4.2.3 HCC may seek as far as possible to maximise its receipts from sources other than the Levy where this is consistent with its functions [and is in line with the operational plan]. It may retain receipts derived from, for example, proceeds from sale of land and buildings and other assets, grants given by the EU, grants given through lottery funds, any proceeds from HCC's commercial activities and those resulting from the sale of services into wider markets. Such activity must be undertaken in accordance with the terms of Managing Welsh Public Money and this document.

4.2.4 Proceeds from the disposal of an Exchequer financed asset worth £1 million or more must, however, normally be surrendered to the Welsh Government, unless agreed otherwise. Proceeds derived from the sale of other assets may be retained provided they are used to finance other capital spending – this being expenditure on new construction, land, extensions or alterations to existing buildings and the purchase of any other discrete asset or collection of assets (e.g. machinery and plant), including vehicles, having an expected working life of more than one year – and provided that total receipts in the financial year do not exceed the limit set out in the budget/remit letter.

### ***Private funds***

4.2.5 Donations, grants for research from non-public organisations, or bequests given to HCC are deemed to be private funds and are not covered by the terms of this document. Funds received directly from the Welsh Government, other government departments, agencies and other public organisations or those funded primarily by the tax payer and any proceeds from the HCC's commercial interests or activities do not count as private funds.

## **4.3 Cash Management**

### ***Cash Balances***

#### *In Year*

4.3.1 Cash balances accumulated during the course of the financial year from Exchequer funds must be kept at the minimum level consistent with the efficient operation of HCC. If a cash surplus should occur, it must be placed on deposit until it can be used.

#### *End of Year*

4.3.2 HCC shall be permitted to carry-over from one financial year to the next any unspent cash balances of its agreed total gross annual budget (i.e. as set out in the remit letter and being exclusive of income deemed to be private funds).

### ***Managing Receipts***

4.3.3 If receipts realised or expected to be realised in the financial year are less than estimated HCC must ensure a corresponding reduction in its gross payments so its authorised provision is not exceeded.

### ***Virement***

4.3.4 HCC may reallocate funds between its various budgets as notified by the Minister in the remit letter without the sponsor department's prior written agreement provided: :

- no budget is increased or decreased by more than 10 per cent or £100,000 whichever is the lesser amount;
- the reallocation is not between capital, near cash or non-cash budget lines; and

4.3.5 HCC shall notify the sponsor department in writing of increases in the running costs/administration budget.

#### **4.4 State Aid**

The Welsh Ministers shall ensure that the arrangements for HCC to exercise functions delegated to HCC by the Welsh Ministers are compatible with the law on State aid.

### **5. Other Requirements**

#### **5.1 Risk Management**

5.1.1 HCC must develop a risk management strategy to ensure any risks it assumes are dealt in accordance with the relevant aspects of guidance on best practice in corporate governance.

5.1.2 HCC must adopt and implement policies and practices to safeguard itself against fraud and theft.

5.1.3 HCC shall take reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or give grant or grant-in-aid, depending upon the particular circumstances of the procurement or grant scheme.

#### **5.2 Economy, Efficiency and Effectiveness – appraisal, research and evaluation**

5.2.1 In order to ensure value for money, HCC must have in place appropriate systems, and the capacity, to ensure its policies and programmes are evidence based in relation to their development, implementation and evaluation.

5.2.3 HCC shall review its services and activities on a regular basis which should be included within its operational plan.

5.2.4 HCC must also ensure its approach to carrying out appraisals and evaluations shall be fully consistent with the principles set out in the guidance.

### **5.3 Access to information**

5.3.1 Hybu Cig Cymru (HCC) is subject to the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 which provides the public with rights of access to information held by public authorities, subject to certain exemptions to disclosure.

5.3.2 HCC will manage official records in accordance with the Public Records Act 1958 and undertakes to comply fully with the provisions of the Re-use of Public Sector Information Regulations 2005.

### **5.4 Data handling and security**

5.4.1 HCC is responsible for ensuring that any personal data (i.e. information relating to living people) for which it is responsible are held and used in accordance with the Data Protection Act 1998 (DPA).

5.4.2 The Welsh Government Information and Records Management Policy (<http://gov.wales/about/foi/policies/recordsmanagement/?lang=en>) details a top-level framework for managing information risk and appropriate procedures are adopted to comply with the framework. In addition, HCC manages Protected Personal Data in accordance with the DPA, Welsh Government and Cabinet Office guidelines. Protected personal data is any information which either relates to 1,000 or more individuals that is not in the public domain or links an identifiable individual with other information which, if released, would put them at significant risk of harm or distress.

### **5.5 Comments and complaints**

5.5.1 HCC handles comments, suggestions and complaints in accordance with a clear procedure which will be laid out on their website.

5.5.2 If the complaint relates to a request for access to information under the Freedom of Information Act 2000 (FOIA), the Environmental Information Regulations 2004 or a request for access to personal information under the Data Protection Act 1998 (DPA), Customers can write to the Board and Chief Executive at HCC, who will arrange for the complaint to be investigated.

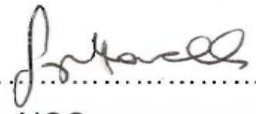
5.5.3 If, having heard the outcome of the complaint the customer is still dissatisfied, they have the right to apply directly to the Information Commissioner for a decision. Generally, the Information Commissioner cannot make a decision on FOI requests unless HCC's own complaints procedure has been exhausted. However, s.42 of the DPA provides individuals with the right to ask the Information Commissioner for an assessment as to whether a data controller has complied with the DPA in respect of processing of their personal data.



The terms of this Framework Document were approved by the Cabinet Secretary for Environment and Rural Affairs on 14 February 2017

Signed..........  
Head of Agriculture, Sustainability and Development Division

Dated..... 3-3-17 .....

Signed..........  
Chief Executive, HCC

Dated..... 3/3/17 .....

# Annex 1

## Essentials of Effective Sponsorship

The principles which define the working relationship between a sponsoring team and its arms length body are set out in the introduction to this Framework Document.

The aims of sponsorship are to:

- Foster a relationship with the arms length body which is based on mutual trust and respect and open and honest communication.
- Ensure the strategic aims and objectives of a arms length body reflect and promote the wider strategic objectives of the Welsh Government.
- Provide the arms length body with the support and guidance it requires or may request to achieve its objectives.
- Encourage and promote high standards of corporate governance and financial accountability within the organisation to ensure its efficient and effective operation.

The functions of ALB sponsorship underpin these principle aims are set out in this Framework Document, which defines the relationship between the sponsor team and the ALB for which it has responsibility. The functions are listed in Appendix A.

Sponsor teams need to strike a balance between control, and allowing ALBs to operate independently on a day-to-day basis, as was the intention in setting up the body as arms length organisations. They need to ensure the relationship is an effective one, with each partner enabling and supporting the other in the achievement of Ministerial objectives. Sponsor teams and ALBs also need to make sure they share information and best practice in a relevant and timely way, and seek out opportunities to work together more effectively.

The following paragraphs attempt to summarise the more important attributes in order to help to ensure the sponsorship role can be performed as effectively as possible.

### Clear Understanding

**Of the corporate governance framework within which ALBs operate:** a good knowledge of how the operational and business planning and annual remit setting process works and links with the Welsh Government's strategic aims and objectives (reflected in "One Wales" and the Strategic framework); and group/divisional and branch planning. Ensuring the ALB understands the monitoring process and what is expected of them.

**Of the financial accountability framework within which both the sponsor team and the ALB operated:** a clear knowledge of the respective roles and obligations set out in the Framework Document; the relevance and importance of the audit process including management letters and additional assurance reports; the sensitivity of Audit Committee recommendations and their implementation;

**The operational role and structure of the ALB** together with an appreciation of the problems it faces or perceives it faces and clear roles, responsibilities and accountabilities between the sponsor team and the ALB.

**Of the duties placed upon the ALB** as a result of the Well Being of Future Generations Act 2015 and any new Programme for Government or legislative measures introduced.

### **Assessment of Risk**

**A clear and ongoing assessment of the risks involved in the sponsorship relationship and a strategy for dealing with them:** for instance risks, specific or generic, arising from the nature of the ALB's role (eg *differing risks associated with different bodies*). Also, specific risks relating to financial management identified in management letters; a pattern of failure in meeting strategic targets; or identifiable "blind spots" in terms of communication, which may require the sponsor team to take a more hands on role in the oversight of the ALB.

### **Effective Communication**

**A clear structure for formal communication:** in respect of data which is of mutual benefit and regular operational and business planning and the formal reporting and monitoring arrangements which fall out of these. This may include sponsorship meetings and meetings between the Chief Executive and members of the sponsor team or Deputy Permanent Secretary, as appropriate, to review performance and discuss cross cutting or arising issues.

**A culture of frequent but not intrusive informal communication:** is important in helping to build confidence and trust, which in turn can engender openness and a willingness to share and resolve problems at an early stage. This should include informal communication between the Chief Executive and members of the sponsor team or Deputy Permanent Secretary in addition to dialogue between officers. Annual information sharing/networking events should be considered, giving opportunities for policy and delivery colleagues to meet, share best practice and develop working relationships.

**There is good senior level involvement:** to ensure good strategic direction and to reflect commitment to the relationship.

**Effective internal communication:** knowing who to contact within the Welsh Government for advice on issues such as budgeting; propriety; procurement and personnel issues: and a willingness to do so.

**Inclusive policy development:** an appropriate level of involvement in any policy development should be secured for the ALB, with regular dialogue and communication continuing throughout the process.

### **Establishing an Authoritative Presence**

The sponsorship team should act as the principal access point to the Welsh Government for the ALB and act as a source of authoritative advice (even if such advice is acquired from elsewhere). A willingness to take ownership of such advice in communication with the ALB is vital. Understand the communications you are passing on and be prepared to give advice.

**Challenge and Scrutiny:** make clear properly structured and robust questioning of the ALB is an essential part of the role, in support of public accountability, but this should be at a strategic rather than operational level, to avoid micro-management. Analyse proposals and make informed recommendations to third parties (e.g. Accounting Officers and Ministers).

**Link with Ministers:** establish agreement with Ministers on what the ALB is meant to achieve then advocate its position firmly and with integrity.

### **Skills**

**Effective Training:** Effective reciprocal induction training and specific effective sponsorship training (jointly with ALB personnel where possible).

Consideration of the appropriateness of: desk training; short-term acclimatisation job-swaps; secondments or work shadowing; to aid understanding of roles and challenges.

## Appendix A

### Sponsor Function Set Out In Model Framework Document

- submission of advice to relevant Welsh Ministers and provide briefing for relevant Assembly committees on ALB matters;
- receive and act on information provided by the ALB under the framework document;
- communicate the Welsh Government's policy to the ALB and advise on the interpretation of policy;
- advise Ministers on performance targets and indicators are clear relevant and challenging;
- monitor and review ALB performance against targets, reporting to Ministers and Assembly Committees as appropriate;
- advise Ministers on expenditure priorities and appropriate levels of GIA;
- monitor ALBs financial position and performance against plans through regular meetings with and returns from ALBs; and reporting to Ministers and appropriate Assembly Committees;
- issue guidance to ALBs.

## Annex 2

### List Of Government-Wide Corporate Guidance And Instructions

- this document;
- the Minister’s annual Remit Letter to HCC;
- Managing Welsh Public Money;
- the Welsh Government Memorandum “Responsibilities of an Welsh Government Sponsored Body (WGSB) Accounting Officer”;
- HM Treasury’s Consolidation Officer Memorandum;
- HCC Accounts Direction;
- Corporate Governance in Central Government Departments: Code of Good Practice;
- HM Treasury’s “Government Internal Audit Standards”;
- HM Treasury’s “Managing the Risk of Fraud”;  
[http://www.hm-treasury.gov.uk/d/managing\\_the\\_risk\\_fraud\\_guide\\_for\\_managers.pdf](http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf)
- HM Treasury’s “Executive NDPBs - Annual Reports and Accounts Guidance”;
- HM Treasury’s “Departmental Banking: A Manual for Government Departments” (issued as Annex 5.7 of “Managing Public Money”);  
[http://www.hm-treasury.gov.uk/d/mpm\\_annex5.7.pdf](http://www.hm-treasury.gov.uk/d/mpm_annex5.7.pdf)
- HM Treasury’s “Regularity, Propriety and Value for Money”  
[http://www.hm-treasury.gov.uk/d/Reg\\_Prop\\_and\\_VfM-November04.pdf](http://www.hm-treasury.gov.uk/d/Reg_Prop_and_VfM-November04.pdf)
- HM Treasury’s “Green Book – Appraisal and Evaluation in Central Government”;  
[http://www.hm-treasury.gov.uk/d/green\\_book\\_complete.pdf](http://www.hm-treasury.gov.uk/d/green_book_complete.pdf)
- HM Treasury’s Audit Committee Handbook;  
<http://www.hm-treasury.gov.uk/d/auditcommitteehandbook140307.pdf>
- Cabinet Office’s “Magenta Book – Guidance Notes on Policy Evaluation”;  
[http://www.nationalschool.gov.uk/policyhub/magenta\\_book/index.asp](http://www.nationalschool.gov.uk/policyhub/magenta_book/index.asp)  
<http://www.nationalschool.gov.uk/policyhub/docs/profpolicymaking.pdf>
- Cabinet Office’s Code of Practice for Public Bodies;
- the UK Evaluation Society’s “Guidelines for Good Practice in Evaluation”;  
<http://www.evaluation.org.uk/resources/guidelines.aspx>
- UK Statistics Authority’s “Code of Practice for Official Statistics” and its associated protocols;  
<http://www.statisticsauthority.gov.uk/assessment/code-of-practice/code-of-practice-for-official-statistics.pdf>

- Health and Safety Commission/Department for the Environment and the Regions' "Revitalising Health and Safety";  
<http://www.hse.gov.uk/strategy/>
- extant "Chief Executive Officer" letters;
- extant "Dear Accounting Officer" letters;
- extant "Dear Consolidation Officer" letters;
- Management letters from external auditors;
- other relevant instructions and guidance issued by the Welsh Ministers;
- those recommendations of the National Assembly's Public Accounts Committee, other Committees of the National Assembly; the House of Commons Committee on Public Accounts, other Parliamentary Committees or Parliamentary authority have been accepted by the Welsh Government which are relevant to HCC.

In addition, in the conduct of its business HCC shall ensure, inter alia,

- it conforms with the terms of its Welsh Language Scheme where the ALB has a Welsh Language Scheme. Where no such Scheme exists in a ALB, the ALB should conform to the terms of the Welsh Government's Welsh Language Scheme (in particular the sections on partnership working and third party working);
- its functions are exercised in a manner compatible with the Welsh Ministers' duty to promote and facilitate the use of the Welsh language as set out in the Welsh Government's strategy as published from time to time;
- its functions are exercised with due regard to the principle that there should be equality of opportunity for all people;
- it adopts and maintains a scheme, approved by the Information Commissioner, for the publication of information as required by the Freedom of Information Act;
- its functions are exercised in a manner compatible with the Welsh Minister's duty to promote sustainable development and its guiding principle of promoting social inclusion;
- its functions are exercised with due regard to the Welsh Government's Disability; Gender; and Race Equality Schemes;
- it follows the approach to openness set out in the Welsh Government's Code of Practice on Access to Information;
- it has due regard to the Commissioner for Public Appointment's Code of Practice for Ministerial Appointments to Public Bodies;
- its procurements are effected with due regard to the principles set out in the Welsh Government's Value Wales Procurement Route Planner.
- it delivers on the aims of the Well Being of Future Generations Act 2015.

As regards openness, where practicable and appropriate, HCC shall be expected to hold its meetings in public. At least one meeting per year must be an open meeting. Where practicable and appropriate, HCC shall release summary reports or make minutes of its meetings publicly available.

As regards health, safety and welfare, HCC must:

- comply with all relevant statutory duties in respect of health, safety and welfare as they relate to all its functions, projects, programmes and activities;
- require organisations it funds and any contractors and sub-contractors to those organisations to comply similarly; and
- comply fully with UK Government policy on health, safety and welfare.



## ANNEX 3

### SUMMARY OF APPROVAL REQUIREMENTS AND DELEGATION LIMITS

Subject	Delegation Limit
Appointment of Chief Executive	<b>Ministerial approval</b>
Staff remuneration and terms and conditions	<b>Amendments to overall terms and conditions require Ministerial approval</b>
Pension arrangements and payment of redundancy or compensation	<b>Approval of sponsor team</b>
Corporate and Operational Plan	<b>Ministerial approval</b>
Subsidiary companies and joint ventures	<b>Approval of sponsor team</b>
Virement outside of specified limits	<b>HCC Board</b>
Novel, contentious or repercussive proposals	<b>Notification to sponsor team</b>
Any borrowing, lending, guarantees, indemnities or investment	<b>Notification to sponsor team</b>
Capital projects	<b>HCC Board</b>
IT projects	<b>HCC Board</b>
Consultancy contracts	<b>HCC Board</b>
Single tender departures up to £50,000	<b>HCC Board to the given limit and sponsor team above the limit</b>
Gifts, hospitality, prizes etc. (£250 per occasion on gifts and prizes and £20,000 per occasion of hospitality with an annual aggregate limit of £100,000)	<b>HCC Board to the given limits and sponsor team above those limits</b>
Sponsorship	<b>HCC Board</b>
Losses and special payments	<b>Approval of sponsor team</b>