

FINANCIAL MEMORANDUM (ANNEX OF HSC/E's MANAGEMENT STATEMENT)

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I. INTRODUCTION

1. This financial memorandum forms part of HSC/E's management statement. It sets out in greater detail the financial framework within which HSC/E is required to operate.
2. The terms and conditions set out in the combined document may be supplemented by guidelines or directions issued by the Secretary of State for Work and Pensions in respect of the exercise of any individual functions, powers and duties of HSC/E.
3. HSC/E shall satisfy the conditions and requirements set out in the combined document, together with such other conditions as the Secretary of State may from time to time impose.

II. HSC/E INCOME AND EXPENDITURE - GENERAL

Departmental Expenditure Limit (DEL)

4. HSC/E current and capital expenditure form part of the Department's Resource DEL and Capital DEL respectively.
5. The grant-in-aid provided by the Department will be voted in the Department's Estimate and is subject to Parliamentary control.
6. HSC/E shall not, without prior written Departmental approval, enter into any undertaking to incur any expenditure falling outside HSC/E's delegations (See [Appendix 1](#)) or not provided for in its Settlement.

Procurement

7. All procurement must comply with
 - guidance from Office of Government Commerce (OGC) including Procurement Policy Guidelines
 - HSE's Purchasing Manual
 - EU procurement rules
 - Government Accounting.
8. Purchases of land and buildings shall be at the current market value as assessed by a professional valuer. If exceptionally HSE proposes to pay more than the current market value the Department's approval should be sought.

9. Before acquiring space elsewhere, a check shall be made with OGC to ascertain whether space is available on the Civil Estate. Property shall not be acquired outside the UK.
10. Periodically HSE shall benchmark the value for money it achieves in the goods and services it procures (including through contracting) and the outcome shall be presented to the sponsor Department.

Competition

11. Contracts shall be awarded on a competitive basis unless there are good reasons to the contrary. The number of tenders sought for each contract shall be consistent with OGC guidance, EU regulation and best commercial practice.
12. Where it is proposed to let single tender or restricted contracts these shall be subject to the relevant delegation in [Appendix 1](#). HSE shall send to the department, after each financial year, a report explaining any contracts with a value above the lower limit but below the threshold limit (described in [Appendix 1](#)) in which competitive tendering was not used.

Value for money

13. Procurement of works, equipment, goods and services shall be based on value for money, i.e. quality (in terms of fitness for purpose) and delivery against lifecycle costs. Where appropriate, a full option appraisal shall be carried out before procurement decisions are taken. Adequate inventories shall be maintained giving sufficiently detailed information of goods and equipment held and adequate stock and stores accounts shall be kept.

Timeliness In paying bills

14. HSE shall collect monies due and aim to pay all matured and properly authorised invoices, unless otherwise agreed, within 30 days, as provided for in Annex 16.2 of Government Accounting. HSC/E shall comply with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890), and with the Late Payment of Commercial Debts (Interest) Act 1998 as amended.

Novel, contentious or repercussive proposals

15. HSC/E shall obtain the approval of the Department before:

- incurring any expenditure for any purpose which is or might be considered novel or contentious, or which has or could have significant future cost implications, including expenditure on staff benefits;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
- making any change of policy or practice which has wider financial implications (e.g. because it might prove repercussive among other public sector bodies) or which may significantly affect the future level of resources required.

Prudence/ Risk Management

16. HSC/E shall take reasonable steps to appraise the financial standing and technical competence of any firm or other body with which it intends to enter into a contract or to give grant or grant in aid.
17. HSC/E shall ensure that the risks which it faces are dealt with in accordance with relevant aspects of best practice in corporate governance. The HSC/E risk management strategy should be in accordance with the Treasury guidance **Management of Risk: A Strategic Overview**. It should reflect HSC and HSE's position as NDPB's and will inform the Statement on Internal Control made by HSC's and HSE's Accounting Officers.
18. HSC/E shall adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury's guide, Managing the Risk of Fraud. It shall ensure in particular that:
 - accounting and other procedures contain all reasonable safeguards against theft and fraud; HSC/E will report all cases of suspected or proven fraud to the Department to enable it to comply with GA rules and meet Treasury timetables; any cases involving novel or unusual fraud or the suspicion of this or fraud exceeding £10,000 will be reported immediately.
 - HSC/E shall notify DWP of changes to the HSC/E Fraud Policy and Fraud Response.

- a record of all losses, whether within delegated powers or not, of cash, equipment, stores, abandoned claims, etc. is kept, and all losses sustained and gifts made and received are suitably recorded in the Statement of Accounts for each financial year.

Wider Markets

19. In accordance with the wider markets policy HSC/E shall seek to maximise income from non-Exchequer sources provided that this is consistent with (a) its main functions and (b) its corporate planning documents as agreed with the Department.

Fees and charges

20. Fees or charges for any goods or services supplied by HSC/E shall be determined in accordance with the Treasury's *Fees and Charges Guide* and the provisions of the Freedom of Information Act 2000 as it comes into effect.
21. HSE shall, where any chargeable activity costs more than £100,000, ensure that informal accounts (Memorandum Trading Accounts) are prepared to inform effective financial management of that service and shall have those accounts audited regularly by its Internal Auditors.

CASH MANAGEMENT

Grant in aid

22. Pursuant to section 43 of the Health and Safety at Work etc Act 1974, the Commission is financed by grant in aid from the Department. The Commission pays the Executive such sums as the Commission considers appropriate for the purpose of enabling the Executive to perform its functions.
23. HSE should have due regard to the guidance in DAO(GEN)14/01 and to the general principles enshrined in chapter 9 of Government Accounting; in particular that it should seek grant in aid according to need.
24. Under new cash management arrangements, which have been negotiated and agreed between the Office of HM Paymaster General (OPG), Treasury and the Department, HSE will provide to the Department monthly forecasts of cash flow and supply

requirement in an agreed format. The Department will fund the HSE OPG account at the end of the month.

25. Cash balances accumulated during the course of the year from other Exchequer funds shall be kept at the minimum level consistent with meeting expected need and efficient operation.

End Year Flexibility

26. As set out in PES (2000) 25, HSC/E will aim to set firm multi-year plans and DWP will cascade end-year flexibility (EYF) on budgets where possible. In particular HSC/E will aim to agree, ahead of the year in question with the Sponsorship Unit and FMCD –
- A rolling 3 year budget in line with the Spending Review rounds;
 - Forecast under spends on Administrative expenditure, at the time of the Spring Supplementary, will attract 100% EYF if delivered at year end;
 - Where the under spend is less than forecast, EYF will be calculated as the actual under spend reduced by the percentage between the actual outturn and forecast. Note – The imposition of this penalty is subject to a de-minimis of the greater of a forecasting error of +/- 0.25% of the forecast outturn or +/- £300k (This does not apply to Capital);
 - Where under spend is greater than forecast the EYF received will be that forecast;
 - HSE is obliged to make up any income shortfall between the Spring Supplementary forecast and the outturn figure from its Resource DEL or accumulated EYF in advance of EYF rules being applied. Where the sponsor department and HSE agree there have been significant factors and/or change of scope, additional funds could be sought from the DUP;
 - Where HSE has obtained additional income above the Spring Supplementary Estimate and provided DWP has sufficient room in its income Estimate to receive said income, 50% of that additional income can be carried forward as additional EYF;
 - Should HSE overspend their Estimate, any such overspend will be deducted from the Estimate for the following year;
 - Capital EYF – Where actual end year position equals the Spring Supplementary forecast, 100% EYF will be allowed;
 - Where Capital under spend is less than forecast the EYF is reduced on the basis of the percentage between forecast and

actual. Where the sponsor department and HSE agree there have been significant factors affecting the spend, ET can approve 100% EYF on the lower level;

- Where Capital under spend is greater than forecast the EYF received will be that forecast;
- Other current spending may be carried forward for the same purposes in future years, barring exceptional and material circumstances.

III HSC/E INCOME

Receipts from sale of goods or services

27. Unless otherwise agreed, income as defined in Appendix 2A, is to be treated as negative public expenditure and thus to be offset against the Department's Expenditure Limit (DEL) (i.e. they provide additional DEL spending power).

Fines and other receipts

28. The rules set out in Government Accounting will be observed. Other income detailed in Appendix 2C is not negative public expenditure and does not in itself provide additional DEL spending power. Such income should either be surrendered to the Department or, if retained e.g. EU contributions as in Appendix 2B, will either reduce the need for grant in aid or, if used to finance additional expenditure, will require additional DEL cover from the Department.

Interest earned

29. Any interest earned on assets will be given the same budgeting treatment as the cost of capital charge on the assets.
30. Under SR2002 budgeting rules the cost of capital charge and any interest receipts on most DEL financed assets score as resource DEL.
31. If this income is used to finance additional expenditure, HSC/E will need to ensure it has the necessary DEL cover. Any interest earned on cash balances held shall be required to be surrendered to the Consolidated Fund via the Department.

Unforecast changes in in-year income

32. If the level of income achieved or expected to be achieved in-year is less than estimated, the Executive (on behalf of the Commission) shall, unless otherwise agreed with the department, ensure a corresponding adjustment in its gross expenditure so authorised provision is not exceeded. If the level of income is not achieved because of a change in scope HSE may request additional funds from DWP.
33. If the level of income (negative DEL income) achieved or expected to be achieved in-year is more than estimated, the excess income may reduce HSE's cash requirement and its net outturn of total resource DEL. If the level of income achieved is an unplanned surplus, this may be surrendered to DWP (but see para 26 above).

Proceeds from disposal of assets

34. HSC/E shall dispose of assets which are surplus to its requirements. Assets shall be sold for best price, taking into account any costs of sale. High value assets shall be sold by auction or competitive tender or any other means as agreed in advance with the Department, and in accordance with *Government Accounting*, Chapter 24 and DAO (GEN) 22/02. HSC/E may normally retain income derived from the sale of stores, equipment and motor vehicles up to £1,000,000 (see Appendix 2A) provided that:
- the Department and the Treasury are content for the HSC/E to retain this income in line with DWP and Treasury guidance on contingent liabilities;
 - they are used to finance other capital spending; and
 - total sales in any financial year do not exceed a specified limit normally 3% of HSC/E's DEL resource see PES(98)5).
35. If HSC/E disposes of assets which have been purchased, improved or developed with Exchequer funds Parliamentary approval will be required to reinvest the receipts where:-
- the receipt amounts to more than £1m, (in one transaction or relating to one project)
- or
- the disposal has unusual features of which Parliament should be aware.

The income will be surrendered to the DWP (the sponsoring Department) which will then submit an Estimate seeking approval for the income to be appropriated in aid and where necessary a corresponding increase in HSC/E's grant-in-aid subject to HSC/E delegated authorities. This will not apply if the disposal of assets and associated receipt are novel or contentious - prior approval of the sponsor department will be required.

36. If these criteria are not met, any income shall be dealt with in line with the rules on surplus in-year income (see para 33 above).

Gifts and bequests received

37. HSC/E is free to retain any minor business or promotional gifts, bequests or similar donations subject to the rules issued by the Cabinet Office: Standards in Public Life, Government Accounting, guidance in the HSE Staff Handbook and the HSE Purchasing Manual. Cash gifts, donations or bequests shall be treated as income. Before accepting HSC/E shall consider if there are any associated costs in doing so or any conflicts of interests arising. HSC/E shall keep a written record of any such gifts, bequests and donations, whether given or received, and of their estimated value and whether they are disposed of or retained.

Receipts from the EC

38. Income from the European Union provided under Treaties (see Appendix 2B) will be appropriated in aid of the Department's Vote. Such income benefits the 'EC net payments' line AME total and shall not provide additional DEL spending power for HSC/E.

IV. EXPENDITURE ON STAFF

Staff costs

39. Subject to its delegated levels of authority HSC/E shall ensure that the creation of any additional posts does not incur forward commitments which will exceed its ability to pay for them.

Pay and conditions of service

40. The staff of HSE, whether on permanent or temporary contract, shall be subject to levels of remuneration and terms and conditions

of service within the general pay structure agreed collectively with the trade unions. HSE has delegated power to amend these terms and conditions.

41. Current terms and conditions for staff of the HSC/E are those set out in its Staff Handbook. HSC/E shall on request provide the Department with a copy of the Handbook and subsequent amendments.
42. HSE shall operate performance-related pay arrangements which shall form part of the annual pay remit approved by the Department and Treasury.
43. HSE shall comply with the EU directive on contract workers ['Fixed Term Employees Regulations (Prevention of Less Favourable Treatment')].
44. The travel expenses for members of the Commission and others shall be tied to those allowed for HSE staff. Costs will be reimbursed under the terms and conditions set out in the HSE Expenses Code.

Pensions; redundancy/compensation

45. HSE's staff shall normally be eligible for a pension provided by:
 - membership of the Principal Civil Service Pension Scheme (PCSPS) (Neither HSE nor the Department have authority to change the terms of membership);
 - or
 - the Partnership pension account (an employer contribution to a stakeholder pension plan selected by the employee from a panel of providers as contracted to the Cabinet Office), Casual and fees paid staff must serve for a minimum term to qualify for this.
46. The pension arrangements, redundancy, or compensation for loss of office for the Chair of the HSC is for the Department to consider consistent with the terms and conditions set out in the individual letters of appointment. (The current Chair is pensionable by analogy to PSCPS: HSE meets the employer's costs and pays the pension).
47. HSE may approve proposals to pay redundancy for up to 6 HSE staff in one redundancy exercise subject to careful consideration HSE may approve early retirement or severance as a pre-redundancy measure or on structural or limited efficiency grounds as defined in the Civil Service Management Code Chapter 11.6.

without the approval of the Department. Proposals on severance payments must comply with DAO(GEN) 04/02(Severance Terms for staff). (DWP should be notified of any redundancy exercises involving more than six staff).

48. Commissioners terms and conditions are as set out in the individual letters of appointment.

V. NON-STAFF EXPENDITURE

Capital expenditure

49. Subject to an agreed capitalisation threshold all expenditure on the acquisition or creation of fixed assets shall be capitalised on an accruals basis in accordance with the instructions contained within the Resource Accounts Manual. Expenditure to be capitalised shall include the (a) acquisition, reclamation or laying out of land; (b) acquisition, construction, preparation or replacement of buildings and other structures or their associated fixtures and fittings; and (c) acquisition, installation or replacement of movable or fixed plant, machinery, equipment, vehicles and vessels.
50. Proposals for large-scale individual capital projects or acquisitions will normally be considered within the HSC/E's corporate planning process. Applications for approval (see [Appendix 1](#)) by the Department (and if necessary the Treasury) shall be supported by formal notification that the proposed project or purchase has been examined and duly authorised by the Principal Budget Holder. Procurement projects are subject to Gateway Reviews as part of the standard Gateway process. Regular reports on the progress of high value or business critical projects shall be submitted to the Department.
51. Within its approved overall resources limit HSC/E shall, as indicated in [Appendix 1](#), have delegated authority to spend up to an agreed limit on any individual capital project or acquisition. Beyond the delegated limits, the Department's prior authority must be obtained before expenditure on an individual project or acquisition is incurred.

Transfer of funds within budgets

52. Unless financial provision is subject to specific Departmental or Treasury controls (e.g. where provision is ring-fenced for specific purposes), transfers between budgets within the total capital budget, or between budgets within the total revenue budget, do not need Departmental approval. Under SR2002 budgeting rules i.e.

from FY 2003/04 transfers from capital to resource budgets are not allowed without specific HMT approval in all cases.

Lending, guarantees, indemnities; contingent liabilities; letters of comfort)

53. HSE shall not, without Treasury and the Department's prior written consent lend money, charge any asset or security, give any guarantee or indemnities or letters of comfort, or incur any other contingent liability (as defined in chapter 26 of *Government Accounting*) whether or not in a legally binding form.
54. Any financial guarantees and indemnities given by HSC/E under Section 26 of the HSWA etc. Act 1974 must be adequately covered against undrawn resources.

Grant or loan schemes

55. Unless covered by a delegated authority, all proposals to make a grant or loan to a third party, whether one-off or under a scheme, shall be subject to prior approval by the Department, together with the terms and conditions under which such grant or loan is made if under a continuing scheme it is likely statutory authority will be required.
56. All proposals to make a grant or loan to a third party shall be subject to terms and conditions including a requirement on the receiving organisation to prepare accounts and to ensure that its books and records in relation to the grant or loan are readily available for inspection by HSE, the Department and the C&AG.
57. See also below under the heading *Recovery of grant-financed assets*.

Gifts; write-offs, losses and other special payments

58. Proposals for making gifts or other special payments (including write-offs) outside the delegated limits set out in the [Appendix 1](#) to this document must have the prior approval of the Department.
59. Gifts to staff are subject to the requirements of DAO(GEN) 13/01 (Expenditure on Non Pay Awards) and the associated Cabinet Office guidance on non-pay rewards.

Leasing

60. Prior Departmental approval must be secured for all finance leases. HSC/E must have DEL provision for finance leases and other transactions which are in substance borrowing.
61. Before entering into any lease, other than conventional property leases (including other operating leases), the HSC/E shall demonstrate that the lease offers better value for money than purchase.

Public/Private Partnerships

62. HSC/E shall seek opportunities to enter into Public/Private Partnerships where this would be more cost effective than entirely publicly financed procurement. However in doing so it shall take into account the track record of its proposed partners. Where costs may result in delegated spending authority being breached HSC/E will seek prior approval from the sponsoring Department.
63. Any legal partnership controlled by HSC/E shall be treated as part of the HSC/E and consolidated with it (subject to any particular treatment required by UK Generally Accepted Accounting Practice (GAAP)).

Subsidiary companies and joint ventures

64. HSC/E shall not establish subsidiary companies/bodies without the express approval of the Department.
65. Any subsidiary company/body controlled or owned by the HSC/E shall be consolidated with it for public expenditure accounts purposes (subject to any particular treatment required by UK GAAP). Unless specifically agreed with the Department and the Treasury, such subsidiary companies/bodies shall be subject to the controls and requirements set out in this Management Statement and Financial Memorandum. Any subsidiary body must have effective controls in place similar to those applying to the parent body.

Financial investments

66. HSC/E shall not make any financial investments without the prior written approval of the Department, nor shall it aim to build up cash

balances or net assets in excess of what is required to meet expected need and for operational purposes.

Unconventional financing

67. Unless otherwise agreed with the Department, HSC/E shall not enter into any unconventional financing arrangement.

Commercial insurance

68. In accordance with paragraph 30.4.2 of *Government Accounting* the following policies are adopted for insurance: HSC/E are required to insure where there is a legal or statutory requirement to do so, e.g. to comply with the Road Traffic Acts HSC/E may insure:
- against the personal accident to Commission members or any loss they might incur while travelling on duty, provided the cover does not provide benefits beyond those civil servants would receive;
 - against the personal accident to staff or any loss they might incur while travelling abroad;
 - the buildings it occupies, e.g. where insurance is a contractual condition and the supplier will not accept an indemnity;
 - in other circumstances where special factors apply as described in GA;
 - in other circumstances where HSE's Accounting Officer is satisfied that following a risk assessment value for money is likely to be achieved.

VI. MANAGEMENT AND DISPOSAL OF FIXED ASSETS

Register of assets

69. HSC/E shall maintain an accurate and up-to-date register of its fixed assets and current book value in accordance with Treasury guidelines.

Recovery of grant-financed assets

70. Where HSC/E has financed expenditure on capital assets by a third party, the ownership and the value should be made clear. (HSC/E may have an ownership interest in respect of intellectual rights or legal title). HSC/E shall make appropriate arrangements, as advised in *Government Accounting* chapter 24, to ensure that any such assets above an agreed value are not disposed of by the third party without the HSC/E's prior consent.

71. HSC/E shall therefore ensure that such conditions are sufficient to secure the repayment of the due share of the proceeds of the sale, in order that funds may be surrendered to the Exchequer via the Department.
72. HSC/E shall ensure that if the assets created by grants made by HSC/E cease to be used by the recipient of the grant for the intended purpose, a proper proportion of the value of the asset shall be repaid to HSC/E for surrender to the Exchequer via the Department.
73. The amounts recoverable under the procedures in paragraphs 34 – 36 above shall be calculated by reference to the best possible value of the asset and in proportion to the original investment(s) in the asset.

VII. BUDGETING PROCEDURES

The Settlement

74. Following each spending review and an assessment by the Department of HSC/E's own expenditure proposals, the Department will send to the HSC:
 - a formal statement of the budgetary provision allocated by the Department and approved by the Secretary of State in the light of competing priorities across the Department; and
 - a statement of any planned change in policies affecting HSC/E.
75. HSC's business plan will take account both of its approved funding provision and of any other forecast income, and will include a budget of estimated expenditure and income, together with a profile of expected cash requirement and resource consumption.
76. The grant in aid provided by the Department will be voted in the Department's Estimate and is subject to Parliamentary control and approval.

General conditions for authority to spend

77. Once the resource budget has been approved by the Department (and subject to any restrictions imposed by Statute/the Secretary of State/this document/Treasury) HSC/E shall have authority to incur

expenditure approved in the budget without further reference to the Department, on the following conditions:

- HSC/E shall comply with the delegations set out in [Appendix 1](#) of this document. These delegations shall not be altered without the prior agreement of the Department;
- HSC/E shall comply with the conditions set out in paragraph 13 above regarding novel, contentious or repercussive proposals;
- inclusion of any planned and approved expenditure in the HSC/E's budget shall not remove the need to seek formal Departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed. The department has the right to examine in greater detail up to 5 cases in any one financial year where cases to exceed delegated authority have been approved by the department;
- HSC/E shall provide the Department with such information about its operations, performance individual projects or other expenditure as the Department may reasonably require.

Providing monitoring information to the Department

78. HSE shall provide the Department with:

- an analysis every month of financial outturn against forecasts of expenditure and income, together with revised forecasts of spending for the remaining months, indicating proposed action when necessary;
- an analysis of monthly outturn by economic type (if this is not covered elsewhere/easily derived from the programme figures);
- details of the outturn for the full financial year for each main budget heading;
- an annual indicative cost per high level performance indicator.

VIII. BANKING

Banking arrangements

79. HSE's banking arrangements should be in accordance with the requirements of *Government Accounting* and the guidance in the Treasury document *Departmental Banking: a Manual for Government Departments*. Arrangements should safeguard public funds and be carried out efficiently, economically and effectively.
80. It is essential that:
- these arrangements are suitably structured and represent value-for-money, and are reviewed at least every two years, with a comprehensive review, usually leading to competitive tendering, at least every five years;
 - sufficient information about banking arrangements is supplied to the Department's Accounting Officer to enable the latter to satisfy his/her own responsibilities;
 - HSE's banking arrangements shall be kept separate and distinct from those of any other person, NDPB or organisation.
 - adequate records are maintained of payments and receipts and adequate facilities are available for the secure storage of cash.

IX. COMPLIANCE WITH INSTRUCTIONS AND GUIDANCE

Relevant documents

81. HSC/E shall comply with the following guidance documents (those marked with an asterisk are available on the Treasury's public website):
- this document (both the management statement and the financial memorandum);

- *Government Accounting*, including in particular the Accounting Officer Memorandum for NDPBs*;
- *Non-Departmental Public Bodies - a Guide for Departments* (the “NDPB Guide”), published by the Cabinet Office;
- *Government Internal Audit Standards*, issued by the Treasury;
- the Treasury’s *Fees and Charges Guide*;
- the Treasury’s guidance *Departmental Banking: A Manual for Government Departments*;
- relevant *Dear Accounting Officer* (DAO) letters*;
- the Treasury guidance document *Regularity and Propriety*;
- the Consolidation Officer Memorandum issued by the Treasury;
- relevant *Dear Consolidation Officer* letters;
- Resource Accounting Manual (RAM)
- Accounts Directions
- 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 or the sponsor Department;
- recommendations made by the Public Accounts Committee or other Parliamentary authority which have been accepted by the Government and which are relevant to HSC/E.

X. REVIEW OF FINANCIAL MEMORANDUM

82. This financial memorandum will normally be reviewed periodically by agreement with the sponsor department to reflect changes affecting HSE, or where HSE changes Department.

83. The Treasury will be consulted on any significant variation proposed to this financial memorandum and the associated management statement.

Signed _____ Finance Director,
Department for Work and Pensions

Date _____

Signed _____ Finance Director
Health and Safety Executive

Date _____

APPENDIX 1

LIST OF SPECIFIC AUTHORITIES DELEGATED BY THE SECRETARY OF STATE FOR THE DEPARTMENT TO THE HEALTH AND SAFETY COMMISSION AS AGREED BY HM TREASURY

<u>Description</u>	<u>Amount</u>
<u>PREMISES</u>	
New Premises:	
Capital expenditure (for purchase of site and/or in-going works costs)	£ 2,500,000 per project
Rental/lease	£ 1,000,000 pa <u>and</u> 50,000 sq ft (both limits apply)
Existing Premises:	
Internal/external redecoration, maintenance, adaptations, renewal of leases and negotiation of rent reviews	Unlimited.
<u>INFORMATION SYSTEMS/COMPUTER PROJECTS/OFFICE MACHINERY/OTHER EQUIPMENT</u>	
Purchasing leasing and rental of IT equipment including telecoms and use of the computer service industry	£ 5,000,000 per project (full project cost)
Other equipment (including scientific equipment and furniture) - purchasing leasing and rental	£ 500,000 per item
<u>VEHICLES</u>	
Purchase of vehicles	Unlimited. In accordance with Treasury Guidelines issued by the Procurement Practice Development Team (PPD).
Note: Leasing requires Treasury approval	

<u>RESEARCH</u>	
Nuclear safety research	£2,500,000 annual programme
Other projects	£500,000 total cost

<u>FILM MAKING</u> (including videos)	£100,000 per film
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<u>OUTSIDE CONSULTANTS</u>	
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Fees for outside consultants	£ 500,000 per contract
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This authority is subject to:

- contracts being put out to competitive tender
- EC rules
- an annual summary report on the total number of contracts, including those within IT projects, with brief details of all those over £100,000.

SINGLE TENDER/RESTRICTED Threshold Limit = same as above
CONTRACTS (paras 11-12 refer) Lower Limit = 25% of the above

<u>GIFTS</u>	£20 to foreign officials/dignitaries (maximum per event £350) £ 25 to others (maximum per event £100)
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<u>PRIZES</u>	£200 per prize
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<u>LOSSES</u> Losses due to failure to make adequate charges for use of public property or services	£10,000
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Losses of pay allowance and superannuation benefits paid to civil servants, staff and members of HSC/E to other causes not covered by general delegated authority (see note at end of this appendix).	£10,000
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<u>CLAIMS WAIVED OR ABANDONED</u> <u>outside the normal course of HSE activities</u>	£20,000 per payment
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SPECIAL PAYMENTS

Discretionary payments to staff* in circumstances not specifically covered by the travel and transfer expenses Code. * "staff" includes ex members of staff (All payments made under this authority should be in accordance with the principles of the Civil Service Management Code)	£10,000 per payment
Extra contractual and ex gratia payments to contractors and other members of the public	£10,000 per payment
Other ex gratia payments	£10,000 per payment
Extra statutory and extra regulatory payments	£10,000 per payment

COMPENSATION PAYMENTS

Compensation payments to members of the public for loss or damage to property (other than motor vehicles in a road traffic accident):

- legal advice taken	£10,000 per payment
- without legal advice	£2,000 per payment
Compensation payments to members of the public for damage to motor vehicles arising from a road traffic accident	£2,000 per payment
Compensation payments to members of the public for personal injury	
- without legal advice	£1,000 per payment
- legal advice taken	£10,000
Compensation payments to staff for loss or damage to property during the course of their employment	Unlimited
Compensation payments to staff for personal injury	£15,000 per payment

Compensation payments to staff under employment legislation where legal advice is taken	£10,000 per payment
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NB: The above delegated authority limits apply to the specific cases listed. There are, in addition, general delegations contained in GA; the Civil Service Management Code and Treasury Dear Establishment Officer (Delegation) letters.

Where VAT is to be charged but is not recoverable the delegated authority shown may be increased by the rate of VAT current at the time.

INCOME

A - INCOME THAT MAY BE RETAINED BY HSE

- (i) Fees and Charges for specific work or services;
- (ii) Sales of films and publications;
- (iii) Disposal of land, stores, equipment and motor vehicles up to £1,000,000 (subject to Treasury rules);
- (iv) Recovery of Legal and Tribunal costs inc prosecution costs awarded;
- (v) Licence income from intellectual property rights;
- (vi) Re-imburement from the European Commission/Union in respect of travelling expenses and subsistence allowances incurred on EC business;
- (vii) Sale of utilities;
- (viii) Staff contributions in respect of the HSE car lease schemes;
- (ix) Gains on the sale of property above the guaranteed price, from relocation service companies;
- (x) Refunds of payroll costs in respect of officers seconded to other organisations;
- (xi) Recovery of our costs of research studies and projects carried out by HSE for the European Commission/Union on a contract basis;

- (xii) Government Employment Schemes eg New Deal;
- (xiii) Public Inquiries; and
- (xiv) Patents and Royalties

Retained to offset Balance Sheet Debtor balances

- (i) Recoveries of input VAT on contracted out services and business activities;
- (ii) Refunds of staff travel advances, salary advances and overpayments;
- (iii) Recovery of costs of research studies collected on behalf of other parties for the European Commission/Union on a contract basis;
- (iv) Recoveries of non-HSE expenditure eg shared premises costs;

B - INCOME TO BE APPROPRIATED IN AID OF THE DEPARTMENT'S VOTE

- (i) Contributions from the European Commission/Union provided under Treaties.

C - INCOME TO BE SURRENDERED TO THE DEPARTMENT FOR PAYMENT INTO THE CONSOLIDATED FUND

- (i) Individual income of £10,000 or more of a type not specified in **Appendix 2A**.