



LocatED Framework Document

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Section 1: Introduction

This framework document has been drawn up by the Department of Education ('the Department' which includes the Education and Skills Funding Agency, ESFA) in consultation with LocatED. This document sets out the broad framework within which LocatED will operate. Copies of this framework document and any subsequent amendments have been placed in the libraries of both Houses of Parliament and made available to members of the public on the LocatED website (other than provisions stated as not intended for publication).

This framework document does not convey any legal powers or responsibilities but all parties agree to operate within its terms. It is signed and dated by the Department and LocatED.

In this document, unless otherwise stated, the following definitions shall apply:

"the Accounting Officer"	The chief executive of LocatED
"the Annual Report and Accounts"	The strategic report, directors report, and other statements published alongside the annual statement of accounts required to be audited by the National Audit Office
"the Board"	The LocatED Board of Directors
"the Chair"	The director appointed to serve as chair of the LocatED Board by the Secretary of State
"the Department"	The Department for Education (which incorporates the Education and Skills Funding Agency (ESFA) where relevant)
"a Director"	A statutory director of LocatED
"the Employment Regulations"	The Transfer of Undertakings (Protection of Employment) Regulations 2006
"the Government"	The UK Government
"Parliament"	The UK Parliament
"LocatED"	Located Property Limited, company number 10385637 (a non-departmental public body, NDPB)

"the Principal Accounting Officer"	The Department's Permanent Secretary
"the Secretary of State"	The Secretary of State for Education
"the Services"	The services to be delivered by or on behalf of the Department by LocatED to achieve the aims and objectives specified in section 2 of this framework document.

This framework document sets out the broad corporate framework within which LocatED must operate and, in particular:

- the rules and guidelines relevant to the exercise of the functions, duties and powers of LocatED; and
- the conditions under which any public funds are paid to LocatED by the Secretary of State.

LocatED, or the Department, may propose amendments to this framework document at any time. Any changes to the rules and guidelines for the governance and operation of public bodies issued by Cabinet Office or HM Treasury, where these apply to LocatED, will be instructed to the company through amendment of this document. Legislative provisions take precedence over any part of the document. Significant variations to the document must be cleared with HM Treasury or the Cabinet Office as appropriate.

Any question regarding the interpretation of the document will be resolved by the Department after consultation with LocatED and, as necessary, with the Cabinet Office and/or HM Treasury.

1.1 Founding legislation and status of LocatED

LocatED is established by incorporation under the Companies Act 2006. It is a company limited by shares and the issued share capital is wholly owned by the Secretary of State, for whom it is remitted to undertake work. LocatED is a separate legal entity from the Crown. LocatED is funded from the public purse by grants-in-aid from the Department. LocatED is also a non-departmental public body (NDPB) sponsored by the Secretary of State. LocatED's Chair and non-executive directors are appointed by the Secretary of State.

LocatED also manages site acquisitions on behalf of the Secretary of State which are funded through the Department's capital budget. This budget is separate from the delegated funding for running and programme costs provided through grant-in-aid. Its use is subject to Departmental approval through a process agreed by both the Department and LocatED.

1.2 The functions, duties and powers of LocatED

LocatED is an NDPB established to perform the following duties on behalf of the Secretary of State:

- manage the acquisition of the sites required to deliver new free schools
- management of sites held by the Secretary of State and free school trusts (usually where no school is in occupation)
- provide advice to the Department on aspects of property management including planning, disposals and mixed use development

LocatED's duties and powers are specified in its Articles of Association (the Articles). The Secretary of State is LocatED's sole shareholder. The Articles cannot be changed without the consent of the Secretary of State and the Secretary of State may change the Articles at any time.

LocatED shall provide the Services to the Department pursuant to the terms and conditions set out in this, and the previous, framework document from 1 December 2016 to the extent commissioned to do so by the Department. The Department will be responsible for decisions related to its funding and control of LocatED in relation to the provision of the services.

LocatED's priorities and performance measures are set by the Department in light of the Secretary of State's powers to invest in property and education.

LocatED must maintain proper accounts and prepare an annual statement of accounts (the directors are required to comply with duties concerning annual accounts under the Companies Act). This should be carried out in line with the accounts direction provided in appendix 3.

1.3 Classification

For national accounts purposes, LocatED is classified to the central government sector. This means that the annual accounts of LocatED are fully consolidated into the Departmental group's accounts.

For policy/administrative purposes, LocatED is classified as a NDPB. It is not a Crown Body.

Section 2: Aims and Objectives

LocatED has been set up in order to support the strategic aims and business plan of the Department. Its main aim is to acquire sufficient sites to achieve the government's commitment to an ambitious free schools programme that delivers choice, innovation and higher standards for parents.

2.1 Strategic Aims

LocatED's strategic aim is to:

- manage the acquisition of sites for schools – supporting the current Government position

2.2 Overall aims

The Secretary of State has agreed that the aims of LocatED should be as follows:

- secure sites for free schools at the best market price
- manage sites held for free schools under development by the Secretary of State or for a free school trust (usually where no school is in occupation) and, where appropriate, sweat assets over time to improve the value to the Department (for example by leasing assets held in advance of use by schools)
- provide advice and, when appropriate, manage the disposal of sites no longer required by the Free Schools Programme
- when appropriate, enter into or advise on more complex mixed use developments as a secondary function, within the current legal framework and with the appropriate cross-Government agreement
- provide advice to the Department and other bodies involved in education provision about property and site issues

The Department will annually set out the priorities for LocatED in the context of these aims, setting out the:

- scope of work that the Department requires LocatED to carry out under each of these aims and
- the commissioning arrangements that the Department will use to instruct LocatED on the acquisitions required

Section 3: Responsibilities and Accountability

3.1 The Secretary of State

The Secretary of State is accountable to Parliament for the activities and performance of LocatED. The Secretary of State may, where appropriate, act through officials in the Department in carrying out the following responsibilities:

- agree the strategic objectives and the policy framework within which LocatED must operate (as set out in this framework document and associated documents referred to in this document including but not limited to the Articles and annual delegation of responsibilities letter)
- keep Parliament informed about the performance of LocatED by ensuring LocatED's Annual Report and Accounts are laid before Parliament each year
- approve the amount of grant-in-aid to be paid to LocatED and securing Parliamentary or HM Treasury approval if necessary
- carry out responsibilities specified in this framework document, including approving the activities of LocatED to make arrangements for the remuneration, pensions, allowances and expenses of directors and staff
- annually review the performance of the Chair

The Secretary of State will have access to all LocatED Board papers, and may attend board meetings or delegate this responsibility to the Secretary of State's observer appointed in accordance with the Articles.

3.2 The Principal Accounting Officer (PAO) of the Department

The Principal Accounting Officer (PAO) of the Department has designated the chief executive of LocatED as LocatED's accounting officer. The respective responsibilities of the PAO and accounting officers for Arm's Length Bodies (ALBs) are set out in Chapter 3 of *Managing Public Money*, which is sent separately to the accounting officer on appointment.

The PAO is accountable to Parliament for the issue of any grant-in-aid to LocatED. The PAO is also responsible for advising the responsible minister:

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

The PAO is also responsible for ensuring arrangements are in place in order to:

- monitor LocatED's activities
- oversee the role of the senior sponsor to ensure that effective performance management arrangements for LocatED are in place
- address significant problems in LocatED, making such interventions as are judged necessary
- periodically carry out an assessment of the risks to the Department relating to LocatED's objectives and activities
- inform LocatED of relevant government policy in a timely manner
- bring concerns about the activities of LocatED to the full Board and, as appropriate, to the Departmental board and provide explanations and assurances that appropriate action has been taken

The PAO is responsible for making arrangements to satisfy himself or herself that LocatED has systems adequate to meet the standards set out in box 3.1 of 'Managing Public Money' (i.e. that LocatED operates effectively and to a high standard of probity).

3.3 The Accounting Officer for Other Budgets Supporting LocatED's Work

As LocatED conducts work in support of the Department's capital programme, and uses funding which remains part of the Department's budget for site acquisitions and other work on behalf of the Secretary of State, the accounting officer for those budgets will:

- fulfil their responsibilities as accounting officer for relevant funding that remains part of the Department's budget, ensuring management and approval processes involving LocatED and the Department in relation to site acquisitions provide necessary financial control and accountability (including, where appropriate, consideration and approval of issues related to regularity, propriety, value for money or feasibility)
- work with the senior sponsor, if relevant, to support the PAO in fulfilling their responsibilities.

3.4 LocatED Sponsorship team

The LocatED Sponsorship Team is the primary contact for LocatED. They commission and monitor LocatED's activities, providing commissioning instructions and necessary information to ensure that LocatED can deliver its objectives. The sponsorship team is the main source of advice to the responsible minister on the discharge of his or her responsibilities in respect of LocatED. They also support the PAO on his or her responsibilities toward LocatED.

3.5 Responsibilities of LocatED's chief executive as accounting officer

General

The chief executive as accounting officer is personally responsible for safeguarding the public funds for which he or she has charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of LocatED. In addition, he or she should ensure that LocatED as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in box 3.1 of 'Managing Public Money'.

Responsibilities for accounting to Parliament

The accountabilities include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State
- preparing and signing a governance statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts
- ensuring that effective procedures for handling complaints about LocatED are established and made widely known within LocatED, including how, where necessary, complaints will be escalated to the Department
- acting in accordance with the terms of this document, 'Managing Public Money' and other instructions and guidance issued from time to time by the Department, HM Treasury and the Cabinet Office
- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee on LocatED's stewardship of public funds
- ensuring Parliament is informed in a timely manner of transactions which are required to be specifically reported to it

Responsibilities to the Department

Particular responsibilities to Department include:

- establishing, in agreement with the Department, LocatED's corporate and business plans in the light of the Department's wider strategic aims and agreed priorities
- informing the Department of progress in helping to achieve the Department's policy objectives and in demonstrating how resources are being used to achieve those objectives

- ensuring that timely forecasts and monitoring information on performance and finance are provided to the Department; that the Department is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Department in a timely fashion
- ensuring there is a named senior information risk owner (SIRO) responsible for the organisation's information risk process

Responsibilities to the Board

The chief executive is responsible for:

- advising the Board on the discharge of LocatED's responsibilities as set out in this framework document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time
- advising the Board on LocatED's performance compared with its aims and objectives
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed
- taking action as set out in paragraph 3.8.6 of 'Managing Public Money' if the Board, or its Chair, is contemplating a course of action involving a transaction which the chief executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness; is of questionable feasibility; or is unethical

3.6 LocatED Board

The Board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control. The Board must set up an audit committee chaired by an independent non-executive board member to provide independent advice and ensure that the LocatED's Audit Committee provides assurance on risk. The Board is expected to assure itself of the effectiveness of the internal control and risk management systems. The Board must also have a remuneration committee chaired by an independent non-executive board member to fulfil the requirements of the agreed pay framework in place at the time.

The Board is specifically responsible for:

- establishing and taking forward the strategic aims and objectives of LocatED consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State
- ensuring that the responsible minister is kept informed via the Chair of any changes which are likely to impact on the strategic direction of LocatED or on the

attainability of its targets, and determining the steps needed to deal with such changes

- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with the Department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued to it by the Department
- ensuring that the Board receives and reviews regular financial information concerning the management of LocatED; is informed in a timely manner about any concerns about the activities of LocatED; and provides positive assurance to the Department that appropriate action has been taken in respect of such concerns
- demonstrating high standards of corporate governance at all times, including using the independent audit committee to help the Board to address key financial and other risks
- appoint with the responsible minister's approval a chief executive and, in consultation with the Department, set performance objectives and remuneration terms linked to these objectives for the chief executive which give due weight to the proper management and use and utilisation of public resources

The travel expenses of Board members shall be claimed under LocatED's travel and expenses policy (which will be consistent with the Department's own policy except for any variation agreed with the Department) and shall be tied to the rates allowed to senior staff of LocatED. Reasonable actual costs shall be reimbursed.

The Chair's personal responsibilities

The Chair is accountable to the responsible minister. Communications between Board and the responsible minister should normally be through the Chair. He or she is responsible for ensuring that policies and actions support the responsible minister and where relevant other ministers' wider strategic policies and that its affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout LocatED.

In addition, the Chair has the following leadership responsibilities:

- formulating the Board's strategy
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the responsible minister or the Department
- promoting the efficient and effective use of staff and other resources
- delivering high standards of regularity and propriety
- representing the views of the Board to the general public
- annually review the performance of the Board, committees and individual Board members

The Chair also has an obligation to ensure that:

- the work of the Board and its members is reviewed and is working effectively
- the Board has a balance of skills appropriate to directing LocatED's business, as set out in the Government Code of Good Practice for Corporate Governance
- Board members are fully briefed on terms of appointment, duties, rights and responsibilities
- he or she, together with the other Board members, receives appropriate training on financial management, procurement and reporting requirements and on any differences that may exist between private and public sector practice
- the responsible minister is advised of LocatED's needs when Board vacancies arise
- he or she assesses the performance of individual Board members when being considered for re-appointment
- there is a Board operating framework in place setting out the role and responsibilities of the Board consistent with the Government Code of Good Practice for Corporate Governance
- there is a code of practice for Board members in place, consistent with the Governance Code for Public Appointments

Individual Board members' responsibilities

Individual Board members should:

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

3.7 Engagement

The Department and LocatED shall meet at least as often as specified in the engagement calendar detailed below (additional meetings will be agreed where necessary between the Department and LocatED):

- the responsible Minister will meet the Chair and chief executive of LocatED at mid-year and end year (normally involving the Secretary of State at end-year) to review LocatED's performance up to mid-year and throughout the year

- the senior sponsor (the Department's Director of Capital) and the chief executive will meet quarterly, or more frequently as necessary
- the senior sponsor supports the Accounting Officer for relevant budgets in providing effective oversight of LocatED
- quarterly performance reviews between the LocatED Sponsorship Team and LocatED will review LocatED's performance against its plans, achievements against its targets and its expenditure against its budget allocation. Issues will be escalated to the senior sponsor and the responsible minister as necessary
- officials of the LocatED Sponsorship Team in the Department will liaise regularly with LocatED employees to review financial performance against plans, achievement against targets and expenditure against its Departmental Expenditure Limit (DEL) allocation and any annually managed expenditure (AME) allocation. The LocatED Sponsorship Team will also explain wider policy developments that might impact on LocatED

Section 4: Planning and Control

4.1 Corporate and business plans

LocatED shall submit annually to the Department a draft of the corporate plan covering three years ahead. The draft should be submitted by March. LocatED shall agree with the Department the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect LocatED's duties and any priorities set from time to time by the responsible minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how LocatED contributes to the achievement of the Department's priorities.

The first year of the corporate plan, amplified as necessary, shall form the business plan. The business plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the Department. Subject to any commercial considerations, a digest of the corporate and business plans should be published by LocatED on its website and separately be made available to staff.

The following key matters should be included in the plans:

- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives;
- key non-financial performance targets
- a review of performance in the preceding financial year, together with comparable outturns for LocatED's previous two years of operation, and an estimate of performance in the current year
- alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast
- plans for stakeholder communications – including public communications
- other matters as agreed between the Department and LocatED

The main elements of the plan, including the key performance targets, must be agreed between the Department and LocatED in the light of the Department's decision on policy and resources taken in the context of the Government's wider public expenditure plans and decisions.

4.2 Budgeting procedures

Each year, in the light of decisions by the Department on the updated draft corporate plan, the Department will send to LocatED in April:

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

- a statement of any planned change in policies affecting LocatED

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

4.3 Grant-in-aid and any ring-fenced grants

Any grant-in-aid provided by the Department for the year in question will be voted in the Department's supply estimate and be subject to parliamentary control.

The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of need. LocatED will comply with the general principle, that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of LocatED. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at the year-end, the Department will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.

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

4.4 Reporting performance to the Department

LocatED shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans. LocatED shall inform the Department of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver ministers' policies, and the achievement of key objectives monthly. LocatED's performance shall be formally reviewed by the Department quarterly. The responsible minister will meet the Chair and chief executive twice a year as set out in section 3.7.

4.5 Providing monitoring information to the Department

As a minimum, LocatED shall provide the Department with information monthly that will enable the Department satisfactorily to monitor:

- LocatED's cash management
- its draw-down of grant-in-aid
- forecast outturn by resource headings
- other data required for the Online System for Central Accounting and Reporting (OSCAR)
- its performance against the key performance indicators and measures

4.6 Delegated authorities

LocatED's delegated authorities are set out in Appendix 1. LocatED shall obtain the Department's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in LocatED's annual budget as approved by the Department
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications (where HM Treasury approval is required)
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required
- carrying out policies that go against the principles, rules, guidance and advice in 'Managing Public Money'

For the avoidance of doubt in the event of inconsistency between any provisions of this framework document and Appendix 1 the provisions of Appendix 1 will prevail.

4.7 Transparency

LocatED shall act in a transparent manner and shall abide by applicable codes of practice and other guidelines issued by Government which relate to their financial management, operations and staff conduct.

Section 5: Auditing and External Accountability

5.1 Annual report and accounts

LocatED must operate management information and accounting systems which enable it to review in a timely and effective manner its financial and non-financial performance against budgets and targets set out in its corporate and business plans.

The performance of LocatED must be reported to the Department on a regular basis. LocatED must provide the Department with such financial or other corporate information as is required for Departmental management purposes.

The LocatED Board must publish an annual report of its activities together with its audited accounts after the end of each financial year. LocatED shall provide the Department with its finalised accounts following an agreed timetable each year in order for the accounts to be consolidated within the Department's report and accounts.

The annual report must:

- cover any corporate, subsidiary or joint ventures under its control (noting that LocatED requires the consent of the Secretary of State to establish subsidiaries or enter into joint ventures)
- comply with the accounts direction issued by the Department (see appendix 3)
- outline main activities and performance during the previous financial year and set out forward plans in summary form

Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. The report and accounts shall be laid in Parliament and made available on LocatED's website, in accordance with the guidance in the FReM. A draft of the report should be submitted to the Department at least two weeks before the proposed publication date, unless otherwise stated by the Department. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the Department (see Appendix 3).

5.2 Internal audit

LocatED must establish and maintain arrangements for internal audit in accordance with HM Treasury's Public Sector Internal Audit Standards (PSIAS). The internal audit arrangements for LocatED must have regard to the Department's Group Internal Audit operating model (operational detail to be agreed between the Head of Internal Audit (HIA) of LocatED and the Department's Group HIA).

LocatED must:

- ensure that the sponsor Department's internal audit team have complete access to all relevant records
- set up an audit committee of its Board in accordance with the Code of Good Practice for Corporate Governance and the Audit and Risk Assurance Committee Handbook, or be represented on the Department's Audit Committee
- forward the audit strategy, periodic audit plans and annual audit report, including the LocatED Head of Internal Audit opinion on risk management, control and governance as soon as possible to the sponsor Department
- keep records of, and prepare and forward to the Department an annual report on fraud and theft suffered by LocatED and notify the Department of any unusual or major incidents as soon as possible

The internal audit service has a right of access to all documents, including where the service is contracted out.

5.3 External audit

The Directors of LocatED shall appoint the Comptroller & Auditor General (C&AG) as auditor under the Companies Act. If the C&AG accepts the appointment, he or she will pass the audited accounts to the Secretary of State who will lay the accounts together with the C&AG's report before Parliament.

In the event that LocatED has set up and controls subsidiary companies, LocatED will in the light of the provisions in the Companies Act 2006 ensure that the C&AG has the option to be appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. LocatED shall discuss with the Department the procedures for appointing the C&AG as auditor of the companies.

The C&AG:

- will consult the Department and LocatED on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from LocatED
- may share with the Department information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Department's responsibilities in relation to financial systems within LocatED
- may, where asked, provide Departments and other relevant bodies with Regulatory Compliance Reports and other similar reports which Departments may

request at the commencement of the audit and which are compatible with the independent auditor's role

The C&AG may carry out examinations into the economy, efficiency and effectiveness with which LocatED and its subsidiary companies have used their resources in discharging their functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, LocatED and its subsidiary companies shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

5.4 Right of access

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

Section 6: Management and Financial Responsibilities

6.1 ‘Managing Public Money’ and other government-wide corporate guidance and instructions

Unless agreed by the Department and HM Treasury, LocatED shall follow the principles, rules, guidance and advice in ‘Managing Public Money’, referring any difficulties or potential bids for exceptions to the LocatED Sponsorship Team in the Department in the first instance. A list of guidance and instructions with which LocatED should comply is in Appendix 2.

Once the budget has been approved by the Department and subject to this framework document, LocatED shall have authority to incur expenditure approved in the budget without further reference to the Department, on the following conditions:

- LocatED shall comply with the delegations and requirements set out in Appendix 1. These delegations shall not be altered without the prior agreement of the Department
- LocatED shall comply with ‘Managing Public Money’ regarding novel, contentious or repercussive proposals
- inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal Departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed
- LocatED shall provide the Department with such information about its operations, performance individual projects or other expenditure as the Department may reasonably require
- LocatED should ensure staff are familiar with the requirements of ‘Managing Public Money’
- specific transactions which the Department is required to report to Parliament are brought to the Department’s attention expeditiously and transparently

6.2 Corporate governance

Board appointments – the Chair and non-executive board members

The LocatED chair and non-executive board members are appointed for a period of up to three years by the responsible minister. Such appointments will comply with the ‘Governance Code for Public Appointments’.

Board appointments – the chief executive

The chief executive is appointed by the board, consulting the responsible minister and PAO, as required.

Board appointments – other executive directors

Up to three other executive directors (the organisation's chief financial, legal and operations officers) may be appointed by the Board. The number of non-executive directors (including the non-executive chair) must exceed the number of executive directors.

Composition of the Board

In line with the government's Code of Good Practice¹, the Board will consist of a Chair, together with up to four non-executive directors that have a balance of skills and experience appropriate to directing LocatED's business. There will always be more non-executive directors than executive directors. For LocatED there should be members who have experience of its business, operational delivery, corporate services such as HR, IS, technology, property asset management, estate management, communications and performance management. The Board may also include, as executive members, LocatED's Accounting Officer and its chief financial, legal and operations officers.

The Secretary of State will nominate a Secretary of State observer (in accordance with the Articles) to act as his or her representative. The Secretary of State observer will receive all Board papers and have the right to attend all Board meetings (including Board committees). However, the Secretary of State observer will not be a director of LocatED or member of the Board and for the avoidance of doubt will have no voting rights nor count towards the quorum for any such meetings.

6.3 Risk Management

LocatED shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the HM Treasury guidance 'Management of Risk: Principles and Concepts'². It should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with HM Treasury's guidance on tackling fraud³. It should also take all reasonable steps to appraise the

¹ Government's principles of good corporate governance is published as annex C (pp 30-41 of the tailored review guidance)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/633573/Tailored_Review_Guidance_on_public_bodies_V1.2_July_2017.pdf

² HM Treasury Guidance Management of Risk: Principles and Concepts
http://www.hm-Treasury.gov.uk/orange_book.htm

³ HM Treasury's guidance on tackling fraud
http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hmTreasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf.pdf

financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.

6.4 Fees and charges

To the extent that LocatED has the power to impose them, fees or charges for any services supplied by LocatED must be determined in accordance with HM Treasury's guidance in Chapter 6 of 'Managing Public Money', and with legislative requirements (e.g. the Freedom of Information Act).

Section 7: Staff Management

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

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness
- the performance of its staff at all levels is satisfactorily appraised and LocatED performance measurement systems are reviewed from time to time
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve LocatED's objectives
- proper consultation with staff takes place on key issues affecting them
- adequate grievance and disciplinary procedures are in place
- whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place
- a code of conduct for staff is in place based on the 'Cabinet Office's Model Code for Staff of Non-Departmental Public Bodies'⁴

LocatED will be issued a pay framework agreed with HM Treasury. The sponsorship team will be responsible for updating this and reissuing it with appropriate approvals from time to time. The operation of the agreed pay framework in place at the time will be the responsibility of the board remuneration committee. This committee will include the Chair of LocatED and two non-executive directors.

7.1 Staff costs and headcount

Subject to its delegated authorities, LocatED shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

⁴ Cabinet Office's Model Code for Staff of Executive Non-Departmental Public Bodies
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf

Departmental approval is required for changes to the numbers of staff employed by LocatED over and above those set out in the approved corporate and business plans and the agreed pay framework in place at the time.

7.2 Pay and conditions of service

LocatED's staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by the Department and HM Treasury and set out in the pay framework in place at the time. LocatED has no delegated power to amend these terms and conditions.

If civil service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the staff and to any other party entitled to payment in respect of travel expenses or other allowances, payment shall be made in accordance with the Civil Service Management Code⁵ except where prior approval has been given by the Department to vary such rates.

Staff terms and conditions should be set out in an employee handbook, which should be provided to the Department together with subsequent amendments.

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

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

7.3 Pensions, redundancy and compensation

LocatED staff shall normally be eligible for a pension provided by its own scheme. Staff may opt out of the occupational pension scheme provided by LocatED, but LocatED will not make any employers' contribution to any personal pension arrangement, including stakeholder pension.

Any proposal by LocatED to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the Department. Proposals on severance must comply with the rules in chapter 4 of 'Managing Public Money' and be submitted through the Department to HMT for approval.

⁵ Civil Service Management Code <https://www.gov.uk/government/publications/civil-servants-terms-andconditions>

7.4 Travel and subsistence

LocatED staff must comply with the principles set out in LocatED's travel and expense policy. LocatED must have a travel and expense policy that is consistent with the Department's travel and expenses policy with any variation agreed with the Department in advance. All expenses must include itemised receipts as evidence of expenditure, be claimed in a timely manner and approved by a line manager.

Section 8: LocatED's Finances

The following sections of this document set out in greater detail certain aspects of the financial framework within which LocatED is required to operate.

The terms and conditions set out in these sections may be supplemented by guidelines or, to the extent that legislation may so provide, directions issued by the Secretary of State in respect of the exercise of any individual functions, powers and duties of LocatED.

LocatED must satisfy the conditions and requirements set out in this document, together with such other conditions as the Secretary of State may from time to time impose. LocatED's expenditure will also comply with Departmental, HM Treasury and Cabinet Office controls over such expenditure as amended and updated from time to time, including operating within the overall remit of 'Managing Public Money'.

8.1 The Departmental Expenditure Limit (DEL)

LocatED's resource and capital expenditure forms part of the Department's Resource DEL and AME (Annually Managed Expenditure) respectively (DEL and AME control totals). LocatED is paid by grant-in-aid on a periodic basis, following a formal request from LocatED to the Department through the finance business partners as set out in Section 9.

Annual funding is allocated to LocatED by the Department as part of a formal delegation of responsibilities letter. The LocatED annual business plan should be reviewed by the sponsorship team.

In addition, LocatED is expected to manage its resource and capital expenditure so as to stay within any longer term totals for project costs (including contingency) that may be set by Government from time to time and to deliver the project(s) on a value for money basis.

8.2 Expenditure outside agreed constraints

LocatED must not, without prior written departmental approval, enter into any undertaking to incur expenditure which will result in the breach of LocatED's funding.

Subject to the provisions in section 8.3, the LocatED budget must indicate where activities, and related expenditure incurred, may extend beyond the timeline of the business plan.

8.3 Procurement

LocatED will adhere to its own procurement policies, however they must ensure these align with any Procurement Policy Notes (PPNs) or associated guidance issued by the Cabinet Office, including the 'Commercial Operating Standards for Government', the

Department's procurement policy and governance requirements, and any relevant EU procurement directives, including the Public Contracts Regulations (2015). LocatED must also adhere to the agreed Spending Controls Delegations Framework and any future revisions.

LocatED has authority to enter into commercial agreements up to the limits of its agreed annual *Delegated Responsibilities Letter*. This Contractual Authority carries an absolute requirement for accountability, together with an exposure to audit. In particular, Contractual Authority implies that the accounting officer is confirming:

- fairness (demonstrated by competition);
- legality (compliance with the EU and UK Government Procurement Directives);
- contractual risk (that the formal terms and conditions will protect LocatED against key contractual risks);
- value for money (that value for money has been achieved by optimising the combination of whole-life cost and quality); and
- governance (procurement procedures and policies have been adhered to).

To support the above, LocatED must maintain a system for ensuring that all contractual agreements are correctly entered into. LocatED must use approved standard terms and conditions where appropriate, and must ensure that they adhere to the Spending Controls framework agreed with DfE, which includes controls on the procurement, management and retention of consultants, as defined in the 'Cabinet Office Controls Guidance'.

All single-tender or restricted contracts between £2,000 and £10,000 in value, including contract extensions, are subject to approval by the LocatED Executive Management Team. Those above £10,000 require board approval.

Where any of the above contracts would entail contractual commitments to significant levels of spending in future years for which Spending Review plans have not been set, it must be referred back to the Department in order that appropriate clearance can be sought from ministers and HM Treasury.

In general LocatED is permitted to enter into contractual commitments which are longer than one year but less than three years on the following conditions:

- It could be reasonably assumed that incurring this spend is integral to the delivery of LocatED's objectives
- The spending proposal is affordable within year and is expected to be affordable within future years
- Appropriate break clauses are built into contracts to limit financial exposure to LocatED should the contract be terminated

The Department will ensure that LocatED is made aware of any new departmental policy or reporting requirements with regard to procurement and consultancy.

8.4 Novel, contentious or repercussive proposals and payments

LocatED must obtain the approval of the Department and HM Treasury before:

- incurring any expenditure for any purpose which is or might be considered novel or contentious (as set out in 'Managing Public Money'), or which has or could have significant changes in the scale of operation or funding of any initiative or particular scheme previously approved by the Department or
- making any change of policy or practice which has wider financial implications (e.g. because it might prove repercussive among other public sector bodies)

8.5 Capital expenditure

The transactions which LocatED has delegated authority to make without referring to HM Treasury are set out in appendix 1.

8.6 Income

Revenue income received from third parties relating to, disposals, asset management and advice functions cannot be retained by LocatED where the income is generated from Secretary of State assets. Such income must be passed on to the Department. Income generated from non-Secretary of State assets can be retained and reported quarterly to the Department to ensure that Departmental thresholds are not breached (see appendix 1).

8.7 Gifts, write-offs, losses and other special payments

Gifts by management to staff are subject to the requirements of the Cabinet Office guidance on non-pay rewards.

LocatED must keep a register of gifts, write-offs, losses and other special payments. Annex A4.13 of 'Managing Public Money' notes various types of special payment which, in broad terms, are transactions that go beyond the planned range, for example by exceeding statutory or contractual cover. They include:

- ex gratia payments – payments go beyond statutory cover, legal liability, or administrative rules, including payments made to meet hardship caused by official failure or delay, out of court settlements to avoid legal action on grounds of official inadequacy and payments to contractors outside a binding contract, e.g. on grounds of hardship
- extra-statutory payments and extra-regulatory payments – are within the broad intention of the statute or regulation, respectively, but go beyond a strict interpretation of its terms

- extra-contractual payments - payments which, though not legally due under contract, appear to place an obligation on a public sector organisation which the courts might uphold
- settlement of claims – where it is value for money to settle even though the claim cannot be fully substantiated – i.e. would cost more in mediation and or court fees – than the value to settle

LocatED has deemed consent for special payments up to £250k where value for money can be demonstrated (except special severance payments). Above this limit, or if novel and contentious or repercussive, each of the above four classes of transaction must be referred to the Department who will seek approval from HM Treasury.

All special severance payments, regardless of value, must be agreed with the Department and HM Treasury as they are automatically deemed novel or contentious.

8.8 Financial investments

LocatED will not make any investments in traded financial instruments nor will it aim to build up cash balances or net assets in excess of what is required for operational purposes.

8.9 Risk protections

LocatED will have risk protection to cover company risk and protection of LocatED's investment in sites for free schools. Where sites are subject to development building contractors appointed by the department and the development partners appointed by the department will be required to take out the necessary insurances to cover the construction phase.

Section 9: Management and Disposal of Fixed Assets

9.1 Register of assets

LocatED will maintain an accurate and up-to-date register of its fixed assets and those it has brokered on behalf of the Department.

A list of all sites brokered and transactions under deemed consent from HM Treasury will be provided to the Department for issue to HM Treasury quarterly, allowing HM Treasury to examine the cases retrospectively as appropriate. Additional freedoms outside of Managing Public Money are set out in LocatED's letter of delegation. In the event that HM Treasury wishes to examine an item, the Department will ensure there is a business case for each project setting out the rationale for the acquisition including value for money and affordability.

9.2 Disposal of assets

If a site is larger than needed; a free school project is abandoned and there is no ongoing educational need for the site; or if the site cannot otherwise be used by the Department, proceeds may be generated from its sale. The Department will commission the disposal of all or part of the site. The proceeds from such sales will be returned to the Department subject to the provisions in appendix 1.

LocatED has delegated authority to write off losses up to £250,000 in accordance with 'Managing Public Money'. According to section A4.10.3 of 'Managing Public Money' HM Treasury must be consulted in advance regardless of value, if the loss:

- involves important questions of principle
- raises doubts about the effectiveness of existing systems
- contains lessons which might be of wider interest
- is novel or contentious
- might create a precedent for other departments in similar circumstances
- arises because of obscure or ambiguous instructions issued centrally

All cases that could be deemed novel, contentious, and/or repercussive should be referred to the Department's Financial Governance and Finance Policy Team, for consideration/approval at the: [Ask,CorporateGovernance Mailbox](#). The Accounting Officer for other relevant budgets and HM Treasury formal approval will be sought in these cases.

Section 10: Banking

LocatED's Accounting Officer is responsible for ensuring that LocatED's banking arrangements are in accordance with the requirements of 'Managing Public Money', Section 5.11 and Annex 5.6. This means using the Government Banking Service and limiting use of commercial banking (with HM Treasury consent sought through the Department in each instance where commercial banking services are to be used). In particular, he or she must ensure that the arrangements safeguard public funds and are carried out efficiently, economically and effectively.

Section 11: Reviewing the role of LocatED

11.1 Reviews

LocatED will be subject to a “Tailored Review” by the Department (in line with the Cabinet Office policy for the tailored reviews of public bodies) at least once in the lifetime of each Parliament or sooner in the event of a significant change in the scope or direction of its primary aims. These reviews ensure that: the public body is delivering effectively against its aims and objectives and provide a robust challenge to, and assurance on, the continuing need for individual organisations – both their functions and form. Where it is agreed that an organisation should be retained, there will be a review of:

- its capacity for delivering more effectively and efficiently, including identifying the potential for efficiency savings, and where appropriate, its ability to contribute to economic growth. The review should include an assessment of the performance of the organisation or assurance that processes are in place for making such assessments
- the control and governance arrangements in place to ensure that the organisation and its sponsor are complying with recognised principles of good corporate governance

The Department will schedule a Tailored Review in liaison with Cabinet Office and with consideration for other priorities. This will be conducted at an appropriate point to consider LocatED’s progress and the Department’s future needs and will take place no later than December 2019. The terms of reference for this review will include:

- overall efficiency of LocatED
- current context, ongoing and future requirements
- ways of working

This framework document will be reviewed jointly by the Department and LocatED following each review of LocatED’s functions as provided for above, or at any point with the agreement of the Department and LocatED.

11.2 Winding up LocatED

If LocatED is wound up, the Department shall put in place arrangements to ensure the orderly winding up of LocatED. In particular, it should ensure that the assets and liabilities of LocatED are passed to any successor organisation and accounted for properly. In the event that there is no successor organisation, the assets and liabilities should revert to the Department. To this end, the Department shall:

- ensure that procedures are in place in LocatED to gain independent assurance on key transactions, financial commitments, cash flows and other information needed

to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body

- specify the basis for the valuation and accounting treatment of LocatED's assets and liabilities;
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that, for non-Crown bodies funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts
- arrange for the most appropriate person to sign the closing accounts. In the event that another arm's length body (ALB) takes on the role, responsibilities, assets and liabilities, the succeeding ALB AO should sign the closing accounts. In the event that the Department inherits the role, responsibilities, assets and liabilities, the Department's AO should sign
- meet any winding-up costs that LocatED cannot meet within its remaining in-year budget. More broadly, The Department and LocatED are signatories to a keep-well agreement⁶ which sets out arrangements if LocatED is unable to meet its payment obligations

⁶ Deed signed 14 August 2017 and valid for two years

List of Appendices

Appendix 1 – List of delegated authorities

Appendix 2 – List of government wide corporate guidance instructions

Appendix 3 – LocatED's accounts direction

12: Signatures

On behalf of the Department

JONATHAN SLATER, Permanent Secretary, Department for Education.

Signed:

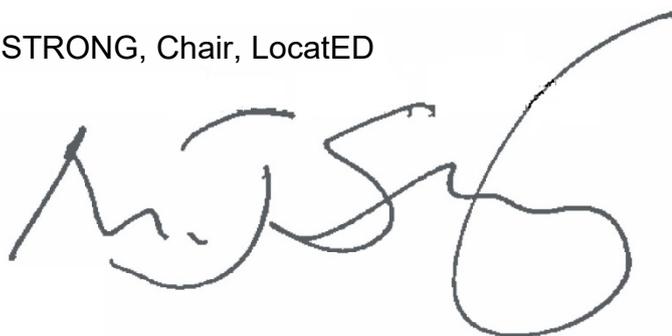


Date: 13 September 2018

On behalf of LocatED

MICHAEL STRONG, Chair, LocatED

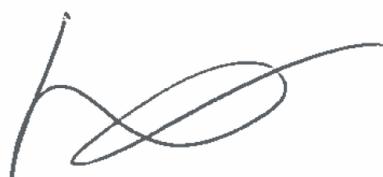
Signed:



Date: 13 September 2018

LARA NEWMAN, Chief Executive, LocatED

Signed:



Date: 13 September 2018

Appendix 1 – Delegated authorities

The terms, conditions and limits of LocatED's delegated authority are as set out in the annual Delegation of Responsibilities letter, including delegated authority to deal with losses, claims, gifts and special payments and to enter into contracts for goods and services. These are outlined below:

Commercial property, development and site management transactions

Such transactions may be entered into – subject to the proposed transaction meeting the terms of the commissioning instruction from the department and the agreed delegated authorities and acquisition criteria set out in writing to the LocatED accounting officer.

Receipts

Income received from any source (including from disposals, rental of existing buildings, receipts from managing agents, contributions from third parties and proceeds from mixed use development) can only be retained by LocatED where the income is not generated from an departmental asset. Income generated from a Departmental asset must be passed to the Department. All income should be reported to the Department to ensure the limit agreed with HM Treasury and the Department (the Department's current agreed limit is £20m per annum) is not breached.

Special payments

LocatED has deemed consent for special payments up to £250k where value for money can be demonstrated (except special severance payments). Any special payments above this limit must be referred to the Department to seek approval from HM Treasury.

Writing-off abandoned projects

LocatED must refer to the Department who must seek approval from HM Treasury if a project specific loss is over £250k. HM Treasury approval is also required regardless of value if novel, contentious or otherwise meeting the conditions in 'Managing Public Money' section A4.10.3.

Novel, contentious, repercussive or unusual transactions

Any novel, contentious, repercussive or unusual transactions will require LocatED to refer to the Department who must seek HM Treasury approval.

Any proposals or payments that are considered novel, contentious or repercussive (as per Section 8.4) are not covered by standing delegations, even if they are within delegated limits. This includes for instance extra-contractual payments to staff (such as settlements in respect of staff grievances and severance payments beyond the normal conditions of service). Such cases must be notified to the Department at an early stage, as HM Treasury clearance is required before any offer with financial implications is made.

Scheme of delegation

LocatED must have a financial scheme of delegation, including an approved signatory list/approved workflow delegation, which is approved by its Board and periodically assessed by its internal audit function.

The Department may review LocatED's financial scheme of delegation at any point and may require amendments to it.

LocatED must make any amendments to its financial scheme of delegation required by the Department as soon as reasonably practicable.

Appendix 2 – List of government wide corporate guidance instructions

LocatED shall comply with the following general guidance documents and instructions:

- this document;
- Appropriate adaptations of sections of ‘Corporate Governance in Central Government Departments: Code of Good Practice’
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>
- ‘Code of Conduct for Board Members of Public Bodies’
<https://www.gov.uk/government/publications/board-members-of-public-bodies-code-of-conduct>
- ‘Code of Practice for Ministerial Appointments to Public Bodies’
<http://publicappointmentscommissioner.independent.gov.uk/wp-content/uploads/2012/02/Code-of-Practice-2012.pdf>
- ‘Managing Public Money’ (MPM);
- Public Sector Internal Audit Standards <http://www.cipfa.org/policy-and-guidance/standards/public-sector-internal-audit-standards>
- Management of Risk: Principles and Concepts:
<https://www.gov.uk/government/publications/orange-book>
- HM Treasury Guidance on Tackling Fraud
http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf
- ‘Government Financial Reporting Manual (FReM)’
<https://www.gov.uk/government/publications/government-financial-reporting-manual-2016-to-2017>
- Fees and Charges Guide, Chapter 6 of ‘Managing Public Money’
- ‘Commercial Operating Standards for Government’
<https://www.gov.uk/government/publications/commercial-operating-standards-for-government>
- ‘Cabinet Office controls guidance version 4.0’
<https://www.gov.uk/government/publications/cabinet-office-controls/cabinet-office-controls-guidance-version-40>
- Departmental Banking: A Manual for Government Departments, annex 5.6 of ‘Managing Public Money’
- relevant Dear Accounting Officer letters
<https://www.gov.uk/government/collections/dao-letters>
- Regularity, Propriety and Value for Money <http://www.esrc.ac.uk/files/about-us/governance-and-structure/regularity-propriety-and-value-for-money-hm-treasury-see-annex-21/>
- The Parliamentary and Health Service Ombudsman’s Principles of Good Administration <https://www.ombudsman.org.uk/about-us/our-principles>

- Consolidation Officer Memorandum, and relevant DCO letters
- relevant Freedom of Information Act guidance and instructions (Ministry of Justice)
- 'Model Code for Staff of Executive Non-departmental Public Bodies' (Cabinet Office)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf
- 'Tailored Review of Public Bodies: Guidance'
<https://www.gov.uk/government/publications/tailored-reviews-of-public-bodies-guidance>
- other relevant guidance and instructions issued by HM Treasury in respect of Whole of Government Accounts;
- other relevant instructions and guidance issued by the central departments;
- specific instructions and guidance issued by the sponsor department;
- recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to LocatED.

Appendix 3 – LocatED accounts direction

ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE FOR EDUCATION, WITH THE APPROVAL OF HM TREASURY, IN ACCORDANCE WITH SECTION 7 OF THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000.

1. This direction applies to LocatED Property Limited.
2. LocatED Property Limited shall prepare accounts for the financial year ended 31 March 2017, and subsequent financial years in compliance with the accounting principles and disclosure requirements of the Companies Act.
3. In addition to compliance with the Companies Act, LocatED Property Limited shall also have regard to the accounting and disclosure requirements of the Government Financial Reporting Manual issued by HM Treasury (“the FReM”) which is in force for the financial year for which the accounts are being prepared to the extent that they clarify or build on the requirements of the Companies Act.
4. The accounts shall be prepared so as to:
 - a) give a true and fair view of the state of affairs at 31 March 2018, and subsequent financial year-ends, and the result, total recognised gains and changes in taxpayers’ equity for the financial year then ended; and
 - b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

.....

Julian Wood

Acting Director of Capital Group, Education and Skills Funding Agency

18 January 2018



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