

Corporate and business plan: 2022-23 to 2024-25

Introduction

- 1.1 The Office for Budget Responsibility (OBR) provides independent and authoritative analysis of the UK's public finances. We are a non-departmental public body (NDPB) under the authority of the *Budget Responsibility and National Audit Act 2011*.
- 1.2 This *Corporate and business plan* sets out our key achievements in 2021-22, our business plan for 2022-23, and our corporate objectives and anticipated outputs and structure to 2024-25.

Statutory remit and structure of the OBR

- 1.3 The *Budget Responsibility and National Audit Act 2011* requires the OBR to examine and report on the sustainability of the public finances. This is a broad remit that allows us to analyse the public finances from many angles. We have complete discretion to set our own work programme, subject to meeting the following core annual requirements and guidance set out in the Act and the accompanying *Charter for Budget Responsibility*:
 - The production of at least two fiscal and economic forecasts, in each case accompanied by an assessment of the extent to which the Government's fiscal mandate has been, or is likely to be, achieved. The *Charter* sets out that the Government intends to adopt the OBR's forecasts as the official forecasts for the annual Budget.
 - An assessment of the Government's performance against its cap on a subset of welfare spending, and a biennial report on trends in welfare spending.
 - An annual assessment of the accuracy of our previously prepared fiscal and economic forecasts.
 - An annual report on the sustainability of the public finances and associated risks.

- A forecast of the receipts from taxes and spending on social security that it has devolved – or intends to devolve – to the Scottish and Welsh Governments. We also produce the official forecast of devolved Welsh taxes for the Welsh Government, as part of its annual budget process.
- 1.4 The *Charter* sets out that our forecasts should be based on all Government policy decisions that have a material impact on the fiscal outlook and that can be quantified with reasonable accuracy. To this end, we also independently scrutinise and certify the Government’s estimates of the cost of policy decisions. The *Act* and *Charter* also specify that we should not consider the effect of alternative policies and should not provide normative commentary on the particular merits of Government policy.
- 1.5 Our independence is central to the effective delivery of our responsibilities. To support this we are required by the *Act* to carry out our activities objectively, transparently and impartially. To underpin this, our relationship with government departments is subject to a detailed memorandum of understanding that is currently being reviewed by signatories, as is required following the January 2022 to the *Charter*.
- 1.6 The OBR comprises five members: the three members of the Budget Responsibility Committee (BRC) – Richard Hughes (Chair), Professor David Miles CBE and Andy King; and two non-executive members – Sir Chris Kelly and Bronwyn Curtis OBE. The BRC is solely responsible for the delivery of the OBR’s core responsibilities. The non-executive members are required to keep the OBR’s performance under review, and together with the BRC form the OBR’s Oversight Board, which is chaired by Sir Chris Kelly. In 2019, consistent with the requirements of the *Act*, the non-executive members commissioned an external review of the OBR, carried out by the OECD. The review was published in September 2020.¹

Objectives, outputs and structures

Objectives

- 1.7 The principal objective of the OBR is to provide independent and authoritative analysis of the UK’s public finances. We aim to achieve this objective through:
- delivering high quality, objective and impartial economic and fiscal analysis, forecasts, long-term projections and risk assessment;
 - raising public understanding, by presenting our outputs clearly through published documents, the website, presentations and press briefings;
 - ensuring we are fully transparent about the assumptions, judgements and methodologies that we use, and the conclusions we reach;

¹ <https://obr.uk/download/oecd-external-review-of-the-office-for-budget-responsibility/>

- working effectively with stakeholders both inside and outside Government, while protecting our independence and taking full responsibility for the content of all our outputs; and
- ensuring we have robust governance structures, are managed effectively and are transparent about how we work and our finances.

Outputs

1.8 We deliver our objectives through a range of outputs:

- we publish medium-term forecasts twice a year in our *Economic and fiscal outlook (EFO)* publication. We have published these forecasts alongside the Government's Budget and Spring Statement, incorporating the impact of any tax and spending policy measures announced at those events. Our annual *Forecast evaluation report* examines what lessons we can learn from our recent forecasting performance;
- in the *EFO*, we assess whether the Government has a greater than 50 per cent probability of hitting its fiscal targets – and whether relevant welfare spending will remain below the welfare cap commitment – under current policy. We also investigate the robustness of this judgement, given the uncertainty inherent in all fiscal forecasts;
- in the run-up to Budgets and other policy statements, we subject the Government's draft costings of tax and spending measures to detailed challenge and scrutiny. We then state in the *EFO* whether we endorse the costings that the Government finally publishes as reasonable central estimates. We assign each costing a subjective uncertainty rating;
- we assess the long-term sustainability of the public finances in our *Fiscal sustainability report (FSR)*. This sets out long-term projections for different categories of spending and revenue, analyses the public sector's balance sheet and reports on summary indicators of long-term fiscal sustainability. The January 2022 update to the *Charter for Budget Responsibility* gave us more discretion over the timing of the long-term projections in the annual sustainability report, which will now be combined with the *Fiscal risks report*;
- we publish a biennial *Welfare trends report*, which looks in detail at the trends and drivers that influence spending on social security and tax credits;
- we publish forecasts of tax and spending that has been devolved to the Scottish and Welsh governments alongside the *EFO*, and provide the official forecasts for the Welsh Parliament's annual budget;
- we undertake a variety of relevant research projects through the year. We publish Briefing papers, Working papers and Discussion papers to inform people about our work. We also provide a monthly commentary on the ONS public finances data;
- we answer enquiries on our forecasts and give evidence to parliamentary committees. BRC members and OBR staff also give talks and presentations at external events; and

- we produce an *Annual report* on our activities, together with our audited accounts.

Structures

- 1.9 We have a set of management, advisory and support structures to help us meet our objectives:
- the OBR's Oversight Board comprises the BRC and the non-executive members. It is chaired by Sir Chris Kelly. The Board oversees the strategic aims of the OBR, reviews its performance and is responsible for the content and production of the *Annual report*. The Audit and Risk Assurance Committee is a sub-committee of the Board chaired by Bronwyn Curtis. Its role is to ensure high standards of corporate governance and internal control;
 - a management group, led by Richard Hughes as the Chair of the OBR, has executive responsibility for the overall management of the OBR, responsible for implementing strategic decisions taken by the OBR and making any decisions relating to its day-to-day running;
 - an advisory panel of technical experts advises us on our work programme and analytical methods. It usually meets a minimum of once a year and its members also provide further advice and comment on request from the OBR.

Achievements in 2021-22

- 1.10 The key achievements in 2021-22 were the delivery of the October 2021 and March 2022 *Economic and fiscal outlooks*, the July 2021 publication of the *Fiscal risks report* and the *Forecast evaluation report* in December 2021.
- 1.11 We published two working papers in 2021-22. *Working paper No.16: Forecasting the balance sheet: Public sector net worth* expands our coverage of balance sheet aggregates in the fiscal forecast and *Working paper No.17: Evaluating forecast uncertainty with stochastic simulations* set out developments in the methodology we use to evaluate the government's likelihood of meeting its fiscal rules.
- 1.12 Finally, we published a set of audited accounts in July 2021 in our *Annual report and accounts*, continued publication of our monthly commentary on the public sector finances data and

Business activity plan for 2022-23

Business objective 1: Fulfil our duties under the *Act* and *Charter* to examine and report on the sustainability of the public finances

- 1.13 We will achieve this by:
- publishing our next report *Welfare trends report* in May 2022;
 - publishing our first combined *Fiscal sustainability and risks report* in July 2022;

- publishing our next *Forecast evaluation report* in autumn 2022;
- producing two updated economic and fiscal forecasts on dates set by the Chancellor of the Exchequer with one coming alongside the Budget;
- scrutinising the Government's costings of new policies;
- reviewing the content and structure of the *EFO* in order to meet user needs,
- reviewing the Memorandum of Understanding between the OBR, HM Treasury, the Department for Work and Pensions and HM Revenue and Customs;
- continuing to publish monthly commentary on the ONS public sector finances data;
- publishing further working papers and briefing material, with continued focus this year on using the website to deliver this material, as well as standalone documents;
- working with our advisory panel on our work programme and analytical methods;
- informing our analysis and methodological approaches by engaging widely with economic and fiscal analysts in Government and the private sector from across the UK and internationally;
- continue to develop our website to deliver a wider range of information for different audiences.

Business objective 2: Ensure our governance and operational arrangements are fit for purpose and allow us to operate as a responsible, effective and transparent NDPB, while meeting statutory and other requirements

1.14 We will achieve this by:

- facilitating and working with our Oversight Board, and maintaining and developing appropriate corporate processes;
- maintaining corporate and human resources policies and processes that will facilitate the hiring, retention and development of a skilled, highly motivated and professional staff. In particular we will:
 - monitor and assess the effectiveness of the performance appraisal system we have established for OBR staff;
 - continually review our staff structures against our deliverables to ensure any resource pressures are quickly identified and dealt with;
 - recruit for any vacancies that arise through open competitions; and

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- ensure staff are fully involved in the operation and development of the OBR through ongoing and open communication and consultation.
- ensuring independent financial reporting and accounting arrangements are in place, and maintain appropriate internal controls, working with our independent qualified Financial Adviser and endorsed by the Audit & Risk Assurance Committee. In particular we will:
 - ensure we have appropriate processes in place to record and monitor all financial transactions;
 - record hospitality and expenses and publish those of the BRC on the website;
 - keep our budget under review on a monthly, quarterly and annual basis, and provide appropriate reporting to the Oversight Board;
 - ensure we have an agreed strategy to live within our multi-year financial settlement; and
 - produce and publish audited annual accounts within our *Annual report and accounts*,
- maintaining a risk management plan that have been endorsed by our Audit and Risk Assurance Committee; and
- being transparent about the way we work and how we spend public funds, demonstrated by:
 - publishing our correspondence with Parliament and minutes of our Board meetings;
 - setting out our interactions with the government on the forecast and other analytical projects in the *Foreword* of our core publications;
 - publishing a regular log of substantive contact that BRC members have with Treasury Ministers, Special Advisers and their private offices;
 - publishing records of hospitality and expenses of the BRC members, and expenditure over £500; and
 - publishing a transparent *Annual report and accounts*.

Outputs in 2023-24 and beyond

1.15 In 2023-24 and beyond, we currently expect to be required to deliver the same set of core outputs as set out above. We would report in future business plans on how we intended to deliver any new responsibilities.

Resource management

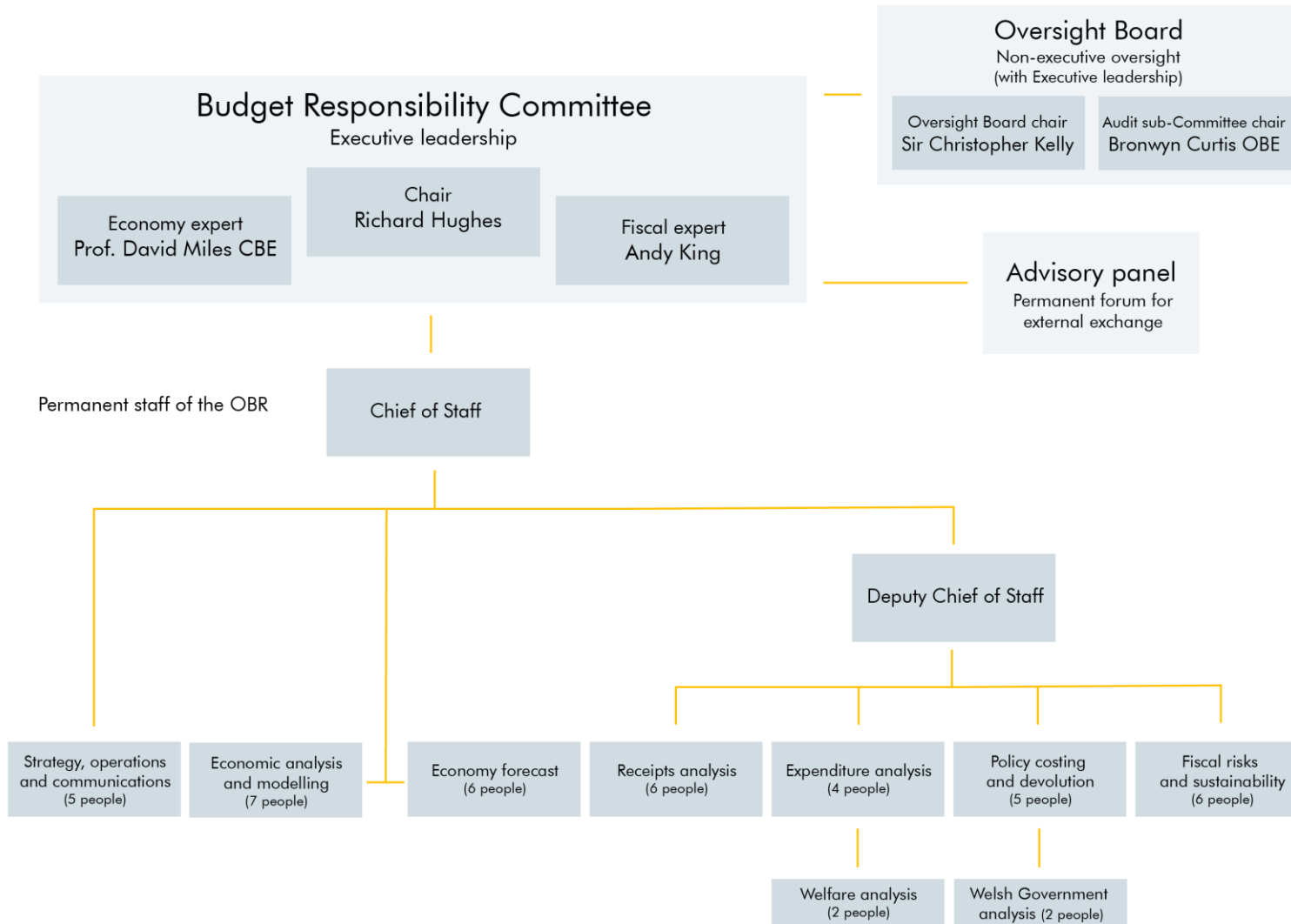
Finances

- 1.16 We are accountable to both the Chancellor of the Exchequer and Parliament for the analysis we produce and the way we use public funds. Our sponsor department is HM Treasury. A multi-year funding settlement for the period 2022-23 to 2024-25 was agreed with the Treasury in June 2022. Our delegated budget for 2022-23 is £4.35 million. Our delegated budget falls to £4.32 million, then £4.08 million, in the final two years of the settlement, as the analytical pressures (and associated additional funding) of the pandemic are assumed to ease.
- 1.17 In 2022-23, over 80 per cent of our expenditure is expected to be on staff costs. The next single largest component of expenditure is accommodation, which is expected to be around 10 per cent of our total budget.
- 1.18 The OBR is committed to achieving value for money for the taxpayer and to be transparent about the way in which we spend public funds. Sharing services is important in reducing costs, and as a small organisation it makes sense financially to pool resource to achieve scale. We therefore purchase administrative support services from other government departments, including HM Treasury for our finance and HR systems and the Ministry of Justice for our office space and IT systems.

Staff

The OBR employs a staff of civil servants to provide analytical and corporate support, led by the Chief of Staff – Stephen Farrington. At full complement, the staff team amounts to 45 people. All OBR staff ultimately report to and are appraised by the Chair of the Budget Responsibility Committee.

Organogram (2022-23)



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23 June 2022

Dear Richard

2022/23 to 2024/25 DELEGATION OF FINANCIAL AND COMMERCIAL RESPONSIBILITIES.

Thank you for engaging with Treasury officials to agree delegations and responsibilities for 2022/23 through to 2024/25. This letter sets out the multi-year budget to deliver your organisation's objectives. Additional key issues in relation to your responsibilities as the Accounting Officer (AO) for the Office for Budget Responsibility (OBR) are also incorporated.

As the Principal Accounting Officer, I am pleased to confirm the multi-year budget as set out in Annex 1. It is your responsibility to manage within the budget allocation and to collectively meet Treasury Group corporate objectives and targets where appropriate.

Setting a multi-year funding commitment supports the OBR's independence and ability to manage its resources effectively in the medium term. This approach for independent fiscal institutions is consistent with international best practice, strengthening institutional independence through delegated budgetary autonomy. Should there be a change in Government direction across the SR or government-wide efficiencies are sought, this will apply to the OBR alongside all other arms-length bodies (ALBs), and you will be expected to engage with HMT on the process.

As the Accounting Officer for OBR you are responsible for ensuring that all spend is in accordance with the principles of Managing Public Money¹ and complies with the latest Consolidated Budgeting Guidance².

Your delegated limit is £5,000,000. Spend above this limit must be approved by the Group Finance Director (in consultation with the Sponsor Director) and the Operations

¹ <https://www.gov.uk/government/publications/managing-public-money>

² <https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2022-to-2023>

Committee. As AO, you can delegate authority limits to named individuals within your organisation subject to recording these limits and meeting the requirements of the National Audit Office (NAO). You are also the authorised signatory for third party contracts for goods and services that have an estimated contract value within the limits of your budget delegation and comply with Government Spending Controls³.

This budget is set for each year, however in recognition of potential refinements for new or changing priorities, there is the opportunity to adjust. The Sponsor Director and Group Finance Director will meet with you at the mid-year point to review progress against budget allocations and forecasts and discuss adherence to your responsibilities - including compliance with Government Controls. This will be a formal opportunity for you to raise issues in relation to emerging spending pressures. The frequency of meetings will increase if appropriate or by request. See Annex 2.

As set out in legislation, the OBR has complete discretion in the performance of its statutory duties and a duty to do so efficiently and cost effectively. Within this budgetary delegation, and in line with the budgetary authority provided for by a multi-year settlement, the OBR has maximum discretion over the use of its resources.

Any new policy proposals (or new information relating to existing proposals) or business cases that emerge and have a significant, or potentially significant, impact (i.e. novel, contentious or repercussive items) on the Group's resources must be promptly communicated to both the Group Finance Director and the Sponsor Director before any commitments are made to or by Ministers or third parties.

It is important that I review the financial position of OBR on a holistic basis. Please inform the Sponsor Director and Group Finance Director of any potential and actual impact from expected changes in income, funding from other sources and expenditure.

The Sponsor Director and your HMT Finance Business Partner will provide support to you and your team throughout the financial year and will report on progress to me as the Principal Accounting Officer at six monthly intervals.

The Cabinet Office have changed their approach to setting apprenticeship targets and there is now a commitment that by 2025, 5% of Civil Service headcount should be apprentices. The expectation therefore is that the Treasury and its ALBs will have 5% of their headcount as apprentices in line with this commitment. We expect that the Treasury will be required to continue to report on this to Cabinet Office for the Group and therefore you should develop and deliver an apprenticeship strategy to meet this new commitment.

³ <https://www.gov.uk/government/collections/cabinet-office-controls>

You will also provide gender pay gap data to Treasury Human Resources colleagues for publication on an annual basis. The published 'Gender Pay Gap Report' includes information for the whole HMT group, with OBR shown as part of the breakdown⁴. Your organisation is expected to ensure that its processes and systems attract, retain and support talented people from all backgrounds, and to implement a strategy to address any significant gap that arises.

Please respond to me within five (5) working days (by email) to confirm that you are content that:

- (i) the budget allocations are as agreed and correct; and
- (ii) that you have adequate arrangements in place to provide assurance for the responsibilities as set out in this delegation letter.

If you have any concerns about the contents of this letter, including your allocations, please contact your HMT Finance Business Partner. You will be requested to formally confirm that you have complied with the delegated authorities and responsibilities at both the mid-point, and end of the financial year.

You will be requested to formally confirm that you have complied with the delegated authorities and responsibilities by submitting a statement of written assurance⁵ to me via the Treasury Operating Committee at the end of this financial year.

We welcome your feedback throughout the year on the relationship and services that Treasury provide to you and your team via the Arm's Length Body forum that is co-chaired by the Group Finance Director and Director Operations.

Yours,
Tom.

Tom Scholar

⁴https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1050373/Official_Sensitive_-_HMT_Gender_Pay_Gap_Report_2021.pdf

⁵ A template will be provided by Treasury Finance.

Copy List

Richard Hughes
Steve Farrington
Charles Roxburgh
Clare Lombardelli
Anna Caffyn
Tom Josephs

Ruth Curtice
Will May
Catherine Webb
Tanya de Jager
Ranjit Solomon
Board Secretariat

Chairman – OBR
Chief of Staff – OBR
Second Permanent Secretary – HM Treasury
Chief Economic Advisor – HM Treasury
Group Finance Director – HM Treasury
Sponsor Director (Director Fiscal) – HM
Treasury
Sponsor Deputy Director – HM Treasury
Commercial Director – HM Treasury
Director Operations – HM Treasury
Group Finance Deputy Director – HM Treasury
Group Finance Deputy Director – HM Treasury

Budget Allocation

Budget Requirement	Budget (£000s)		
	2022-23	2023-24	2024-25
Total DEL Budget	4,347	4,316	4,088
o/w Expenditure – Admin	4,347	4,316	4,088

Notes

1. This delegation letter contains budget figures for a multi-year settlement as agreed in the 2021 Spending Review.
2. The budget profile declines over the SR period due to the rolling off of £500k additional funding you received to support against pandemic pressures, in line with the rest of HMT group.
3. As part of your settlement, you have received funding to move office. It is at your discretion whether this funding is re-purposed but if you do this you will not be able to request additional funding for new or larger office space.
4. This budget was prepared in accordance with IAS17, and will potentially be revised in-year to reflect the implementation of IFRS16 for FY2022-23. This will not pose a pressure on ALBs.

Accounting Officer Responsibilities

Managing your budget

1. As a budget holder, you are responsible for living within budget and achieving value for money in compliance with Managing Public Money.
2. Your organisation is required to submit the following Management Information to your HMT Finance Business Partner on the 5th working day of each month:
 - (i) budgeted and actual expenditure and full year forecasted spend captured at account code level and split between:
 - a. Resource Departmental Expenditure Limit - Administrative (RDEL Admin);
 - b. Resource Departmental Expenditure Limit - Programme (RDEL Prog);
 - c. Capital Departmental Expenditure Limit (CDEL); and
 - d. Annually Managed Expenditure (AME).
 - (ii) Government Finance Function standard requires accounting transactions to be in place by working day 5 to allow for the General Ledger to close.
 - (iii) A mid-year review will be undertaken by the Group Finance Director and Sponsor Director to review in year spending and to scrutinise forecasts. Significant deviations from year to date spend and/or full year forecasts from the budget allocation at the mid-year point must be supported by a 'recovery plan' showing how spend will be brought back in line with budgets; in exceptional cases the plan will be submitted to the Treasury Operating Committee for review. This will be followed by a quarter three check-in with your Finance Business Partner to discuss any developments or changes to your position since the mid-year review.
3. Performance against budgets this year may impact budget allocations in later years.
4. You are responsible for ensuring that policy or operational proposals which will significantly impact the Treasury's resources or balance sheet (novel, contentious or repercussive items) are **signed off by HMT Finance and Sponsor Director before submitting advice to the Permanent Secretary or to Treasury Ministers.**

5. There are rules and restrictions regarding switches between expenditure categories:
 - (i) switches from (a) Resource into Capital and vice versa (b) Admin into Programme and vice versa may require approval from the Group Finance Director, other senior Officials and potentially Ministers. Your Finance Business Partner must be consulted prior to switches being proposed; and
 - (ii) any switches can only be approved through the Estimates process at the start of the financial year and at Supplementary Estimates (November/December).

Cash forecasting

6. Your team will provide Treasury Group Finance colleagues with forecasts for OBR's cash requirements on a monthly basis. Your team will notify colleagues of any unforeseen, material changes to the forecast in-month. The Group is held to account on the accuracy of its cash forecasting by Exchequer Funds and Accounts (within HMT Fiscal Group). Departments can incur financial penalties for inaccurate forecasts, with departmental performance published in a league table. These penalties will be passed to the relevant ALB should their forecasting lead to HMT Group receiving a penalty.

Forecast accuracy

7. OBR has an important contribution towards ensuring that the Group's financial forecasts are robust. The HMT Group, including OBR, are held to account on a forecasting accuracy tolerance of 1% of year end outturn against mid-year forecast on their DEL budget. HMT Finance will work with the OBR to help facilitate accurate forecasting.

Special Payments

8. The OBR must comply with MPM⁶ (Annexes 4.10 - 4.14) guidance in relation to special payments (including special severance payments), overpayments, losses and write offs, gifts, remedy payments and consolatory payments (£500+). HMT Finance Director approval is required prior to seeking Treasury Spending team approval and prior to making an offer of a special payment.

⁶https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1060284/MPM_Spring_21_with_annexes_040322.pdf

9. All payments regardless of value require Group Finance Director and Spending team approval if they are deemed novel, contentious or potentially repercussive.

Commercial & Procurement

10. HM Treasury Group (HMTG) commercial activity is subject to a legal framework which requires free and open competition and value for money, in line with internationally and nationally agreed obligations and regulations, as well as with wider policy objectives.
11. There is a need for senior officials with budgetary authority across the Group to ensure that sound commercial management arrangements are in place and that fair and objective procurement of goods and services takes place within their area.
12. The following rules are applied to achieve the best commercial outcomes for HMT which optimise value for money and minimise risk. Any exceptions are subject to advice from the central HMT Commercial team at commercial@hmtreasury.gov.uk and must be supported by a persuasive business case.

Procurement Rules

13. Subject to the value and category of the procurement different procurement routes are required:
 - i) **Value of procurement greater than £10,000 (exc. VAT):** Crown Commercial Service (CCS) remain the preferred option for all procurement activity in this category (including contract extensions). Any exceptions should be agreed with HMT Commercial prior to commencing.
 - ii) **Value of procurement greater than £2,500 and less than £10,000 (exc. VAT):** A minimum of three quotations should be sought and a value for money assessment undertaken prior to selecting a supplier.
14. You must follow your own internal policies for spend approval and contract signature as well as ensuring that you are compliant with Government Spend Controls.
15. You must maintain effective oversight of the following activity and should engage with HMT Commercial for guidance if required prior to undertaking any of the following:

- i) Procuring goods and services with an estimated contract value above £10,000 (exc. VAT).
- ii) Varying an existing contract either by term, value or scope
- iii) If you wish to award a contract with a value over £10,000 without competition (Direct Award/Single Tender). **This should only be done in exceptional circumstances and will require prior legal approval.**
- iv) For any pro-bono, zero charge or trial contracts
- v) If the services procured must commence before a contract has been signed and awarded. **This should only be done in exceptional circumstances.**

Government Spend Controls

16. Spend in the following categories are subject to Government Spend Controls⁷ and may require prior approval from the Cabinet Office. The HMT Commercial Team can help coordinate those approvals, which must be secured prior to proceeding to procurement.

- Consultancy and professional services (including legal)
- Property & FM
- Digital and technology
- Advertising, marketing and communications
- Learning and development
- External recruitment

17. For 2022-23 the Cabinet Office have introduced new controls around Consultancy and Professional Services, which you will find at gov.uk (as per the [Common Areas of Spend](#) definition). In summary, all Consultancy Spend over £100,000 in value and/or 3 months in length will require Accounting Officer Approval. If the requirement is above £500,000 and/or 9 months, additional Cabinet Office Spend Control approval will be required. The HMT Commercial Team will support the approval process.

Central Contracts

18. You must use centrally established and managed corporate contracts where they already exist, where possible. These are designed to achieve the best VfM for the department and include favourable terms & conditions. Central contracts exist for the following categories: Temporary Staff & Agency Workers; Travel; Venue Hire; Booking Meetings & Events; Taxis; Car Hire; Stationery; Office Supplies; Print Services; Payment Card Solutions (GPC Cards).

⁷ <https://www.gov.uk/government/publications/cabinet-office-controls-version-6>

19. You must first satisfy yourself that interim staff coming to work your organisation for a temporary period will be meeting their tax and national insurance commitments. To do this, you must formally assess whether appointees are within scope of the Intermediaries (IR35) Regulations.

Commercial Pipeline

20. You must ensure that your Group maintains an up-to-date commercial pipeline and records all planned spend with a third party; a contract (including variations and extensions) can only be signed if there is a corresponding pipeline entry.
21. Your commercial pipeline should be maintained using the standard government template available from the HMT Commercial Team. They will work collaboratively with you (or with your nominated representative), including formally reviewing your pipeline on a quarterly basis and ensure commercial support is in place for future procurements.

Contract Management

22. Appropriate rigour should be applied to this part of the procurement lifecycle to ensure contracts deliver the value that was originally intended. You are accountable for the effective contract management and delivery of procured services. This includes ensuring all contracts have named contract managers who are appropriately accredited (or working towards) Government Commercial Function's Contract Management Capability Programme, **which is a mandatory requirement for all government departments.**
23. You should ensure your contract managers are actively managing the contracts, including tracking and reporting KPIs and SLAs on any Gold level contracts within your portfolio. In addition, all Gold level contracts will also need to report on its Social Value KPIs. The HMT Commercial Team will coordinate the department's KPI report, and you must ensure the information is made available when requested.
24. At the business case stage, contracts must be tiered (Gold/Silver/Bronze) in accordance with the HMT Commercial Team's guidance and contract management plans produced and maintained in line with prevailing guidance as appropriate for the tier level.
25. Details of live contracts (including KPIs where applicable) should be shared with the HMT Commercial Team when requested.

Contract Publication

26. All contracts with a value of over £10k (excluding VAT) are legally required to be published on Contracts Finder within 30 calendar days following award of the contract. Please contact the HMT Commercial Team if you require any guidance on redaction or publication of contracts.

Prompt Payment Policy

27. The government commitment is to pay 90% of undisputed and valid invoices from Small and Medium Enterprises (SMEs) within 5 days and 100% of all undisputed and valid invoices to be paid within 30 days. Government departments are required to publish their performance (including its ALBs) against these payment targets on a quarterly basis on gov.uk⁸. This is therefore a collective responsibility, and your organisation must ensure it processes invoices in a timely and efficient manner.

Risk and assurance

28. You are responsible for ensuring an effective risk management system is in place to address risks to delivery of the OBR objectives.
29. You will report at six monthly intervals to your Sponsor Director in identifying, assessing, managing and escalating operational risks and in providing an assurance that an effective risk management system is in place and operating to a common standard, including cyber security.

Propriety & Ethics

30. You, and all your staff, have an obligation to disclose conflicts or potential/perceived conflicts of interest and take all reasonable steps to prevent conflicts of interest giving rise to material or perceived risks.
31. You, and all your staff, must not abuse your position by making use of privileged information for personal advantage or to help others to personally gain.
32. When considering whether to accept offers of gifts or hospitality, you, and all your staff, must be confident that it involves no reasonable suspicion that personal judgment, impartiality or integrity has been compromised.
33. You must ensure you put in place internal arrangements to assess, and apply appropriate mitigations where needed, any form of full, part-time or fee paid

⁸ <https://www.gov.uk/guidance/prompt-payment-policy>

employment falling within the scope of the Business Appointment Rules (BARs)⁹ for any of your staff leaving Crown Service. While these rules are drafted and labelled for the attention of Civil Servants, your organisation must comply with the spirit of these rules whatever the status of employees. As with all serious propriety matters, if you have a concern in this area, please make the Permanent Secretary's office aware, who will advise.

34. The Treasury may ask for information from you as part of the oversight of the Audit and Risk Committee of BARs appointments, to ensure mitigations are discussed and in place for leavers in line with Government practice.

Counter fraud responsibilities

35. You have a responsibility for managing fraud within your organisation by acting in accordance with Managing Public Money (MPM) and the Civil Service Code. For any new major area of spend, you should assess the risk of and impact from fraud at the outset when the spending is being proposed. This should identify the potential for fraud and the different impacts that fraud could have for this spend area. Once spending is approved this should result in the development and continued maintenance of a detailed fraud risk assessment. As set out in The Green Book, this assessment of fraud risk must be informed by consultation with relevant Counter Fraud experts and stakeholders at the earliest point in the business case process.

36. You should also have a plan in place to comply with the Government Functional Standard for Counter Fraud, in a way that meets your business needs and priorities.

37. You should promote a counter-fraud culture within your organisation. This includes highlighting to staff members the appropriate process to report concerns about actual, attempted or suspected fraud, in line with whistleblowing legislation (Public Interest Disclosure Act 1998) where required.



Counter Fraud
Functional Standard.p

⁹<https://www.gov.uk/government/publications/governments-business-appointment-rules-for-civil-servants>