



HM Treasury

Horserace Betting Levy Board

Framework Document:

March 2024 (updated October 2024)



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Horserace Betting Levy Board

Framework Document

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Introduction and background

1. Purpose of document

- 1.1. This framework document (the “framework document”) has been agreed between the Department for Culture, Media and Sport (DCMS) and the Horserace Betting Levy Board (HBLB) in accordance with HM Treasury's handbook Managing Public Money: (“MPM”) (as updated from time to time) and has been approved by HM Treasury.
- 1.2. The framework document sets out the broad governance framework within which HBLB and DCMS operate. It sets out the HBLB's core responsibilities, describes the governance and accountability framework that applies between the roles of the DCMS and HBLB and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.
- 1.3. The document does not convey any legal powers or responsibilities but both parties agree to operate within its terms.
- 1.4. References to the HBLB include all its subsidiaries and joint ventures, should there be any, that are classified to the public sector and central government for national accounts purposes. If HBLB establishes a subsidiary or joint venture, there shall be a document setting out the arrangements between it and the HBLB agreed with DCMS.
- 1.5. Copies of the document and any subsequent amendments have been placed in the libraries of both Houses of Parliament and made available to members of the public on hblb.org.uk and gov.uk
- 1.6. This framework document should be reviewed and updated at least every 3 years unless there are exceptional reasons that render this inappropriate that have been agreed with HM Treasury and the Principal Accounting Officer of the sponsor department. The latest date for review and updating of this document is March 2027.

2. Objectives

- 2.1. The DCMS and HBLB share the common objective of collecting the Levy in accordance with the 1963 Act (as amended) and distributing the Levy each year in accordance with HBLB's Business Plan. To achieve this the HBLB and the DCMS will work together in recognition of each other's roles and areas of expertise, providing an effective environment for the HBLB to achieve its objectives through the promotion of partnership and trust and ensuring that the HBLB also supports

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1000670/MPM_Spring_21_with_annexes_080721.pdf

the strategic aims and objective of the department and wider government as a whole.

3. Classification

- 3.1. HBLB has been administratively classified by the Cabinet Office as a non-departmental public body (NDPB).

Purposes, aims and duties

4. Purposes

- 4.1. The HBLB is a statutory body that was established by the Betting Levy Act 1961. It operates in accordance with the provisions of the Betting, Gaming and Lotteries Act 1963 (as amended). Its purposes are set out in section 24 of that Act.
- 4.2. HBLB defines its purpose as “to collect and allocate Levy effectively and transparently to sustain and improve British horseracing, breeding and veterinary science or education for the benefit of the sport.”
- 4.3. HBLB defines its vision as “Trusted as a key contributor to British horseracing being the best in the world, driving:
 - Evidence-based decisions
 - Efficient delivery
 - Forward-thinking outcomes”

5. Powers and duties

- 5.1. HBLB’s powers and duties stem from section 24 of the Betting, Gaming and Lotteries Act 1963 (as amended).
- 5.2. HBLB’s statutory duties and functions are to collect the Levy from bookmakers and to apply the funds so raised to one or more of the following:
 - the improvement of breeds of horses;
 - the advancement or encouragement of veterinary science or veterinary education;
 - the improvement of horseracing.

6. Aims

- 6.1. The HBLB has agreed the following three key priorities and a set of Racing Outcomes which can be found in their business plan and on the website hblb.org.uk:
 - Ensuring HBLB’s financial sustainability, taking account of the effect of any changes to customer behaviour following the Government’s review of gambling legislation and also from the wider economy and the pressures on spending; and the impact of challenges around the competitiveness within Racing’s race programme.
 - Reviewing how prize money funding is directed and whether it appropriately complements contributions from others in the sport.
 - Continuing to improve the rigour and effectiveness in HBLB internal operations including Levy collection, project assessment and post-event reporting.

There are 13 Racing Outcomes grouped into four areas of support for Racing:

- Generate interest in Racing
- Sustain valued employment in Racing
- Drive high quality care and support for the horse in Racing
- Continually enhance the reputation of Racing

Governance and accountability

7. Governance and accountability

- 7.1. The HBLB shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this framework document or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.
- 7.2. In particular (but without limitation), the HBLB should:
- comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice² (as amended and updated from time to time) to the extent appropriate and in line with their statutory duties or specify and explain any non-compliance in its annual report
 - comply with MPM
 - in line with MPM comply with the relevant Government Functional Standards³ as appropriate and in particular those concerning Finance, Commercial and Counter Fraud
 - take into account the codes of good practice and guidance set out in Annex A of this framework document, as they apply to ALBs
- 7.3. In line with MPM Annex 3.1 HBLB shall provide an account of corporate governance in its annual governance statement including the Board's assessment of its compliance with the Code with explanations of any material departures. To the extent that the HBLB does intend to materially depart from the Code, the sponsor should be notified in advance.

² <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

³ <https://www.gov.uk/government/collections/functional-standards>

Role of the department

8. The responsible Minister

- 8.1. The Secretary of State and other members of the DCMS ministerial team are accountable to Parliament for all matters concerning HBLB.
- 8.2. The Ministers' statutory powers in respect of the HBLB are set out in the Betting, Gaming and Lotteries Act 1963 (as amended) are:
 - the Chair and two other members shall be appointed by the Secretary of State and be persons who the Secretary of State is satisfied have no interests connected with horse racing which might hinder them from discharging their functions as members of the Board in an impartial manner
 - the HBLB may pay such pension or gratuity as the Board may, with the approval of the Secretary of State, determine, to or in respect of the Chair and any other members appointed by the Secretary of State

Appointments to the Board

- 8.3. The Chief Executive of the HBLB is appointed by the HBLB's Board in consulting the responsible minister and Principal Accounting Officer, as required.
- 8.4. The Minister shall have the following appointment and approval rights in relation to the HBLB's Board:
 - The Chair is appointed by the responsible Minister under section 24 of the Betting, Gaming and Lotteries Act 1963 (as amended). This appointment is subject to the Public Appointments Order in Council and as such must comply with the Governance Code on Public Appointments.
 - two Non-executive members are appointed by the responsible Minister under section 24 of the Betting, Gaming and Lotteries Act 1963 (as amended). These appointments are subject to the Public Appointments Order in Council and as such must comply with the Governance Code on Public Appointments.
 - All such appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint boards which include a balance of skills and backgrounds. Appointments are usually on an initial four-year term and can be renewed.

Other Ministerial powers and responsibilities

- 8.5. The Minister is also responsible for:
 - the policy framework within which the HBLB operates
 - matters regarding spending approvals, acquisitions, disposals, and joint ventures in line with delegations as set out in the delegation letter
 - approving any new scheme proposed by HBLB (existing schemes that already have approval do not require further approval for each payment under that scheme).

- such other matters as may be appropriate and proportionate

9. The Principal Accounting Officer

9.1. The Principal Accounting Officer (PAO) is the Permanent Secretary of the department.

PAO's specific accountabilities and responsibilities

9.2. The PAO of DCMS designates the Chief Executive as the HBLB's Accounting Officer (AO) and ensures that they are fully aware of their responsibilities. The PAO issues a letter appointing the AO, setting out their responsibilities and delegated authorities.

9.3. The respective responsibilities of the PAO and AOs for ALBs are set out in Chapter 3 of MPM.

9.4. The PAO is also responsible, usually via the sponsorship team, for advising the responsible Minister on:

- an appropriate framework of objectives and targets for the HBLB in the light of the department's wider strategic aims and priorities
- how well the ALB is achieving its strategic objectives and whether it is delivering value for money
- the exercise of the Ministers' statutory responsibilities concerning the HBLB as outlined above

9.5. The PAO via the sponsorship team is also responsible for ensuring arrangements are in place in order to:

- monitor the HBLB's activities and performance
- address significant problems in the HBLB, making such interventions as are judged necessary
- periodically and at such frequency as is proportionate to the level of risk carry out an assessment of the risks both to the department and the HBLB's objectives and activities in line with the wider departmental risk assessment process
- inform the HBLB of relevant government policy in a timely manner
- bring ministerial or departmental concerns about the activities of the HBLB to the full HBLB Board, and, as appropriate to the departmental Board, requiring explanations and assurances that appropriate action has been taken

10. The role of the sponsorship team

10.1. The Policy lead for Horseracing in the department is the primary contact for the HBLB. The responsible senior civil servant for this relationship is the Deputy Director of the Gambling and Lotteries Team in the department. They are the main source of advice to the responsible Minister on the discharge of their responsibilities in respect of the HBLB. They also support the PAO on their responsibilities toward the HBLB.

10.2. Officials of the Gambling and Lotteries team in DCMS will liaise regularly with the HBLB to review performance against plans and achievement against any targets. The Gambling and Lotteries team will also take the opportunity to explain wider policy developments that might have an impact on the HBLB.

11. Resolution of disputes between the HBLB and the DCMS

- 11.1. Any disputes between the DCMS and the HBLB will be resolved in as timely a manner as possible. The DCMS and the HBLB will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the senior sponsor, will be used to resolve the issue. Failing this, the senior sponsor will ask the relevant policy Director General to oversee the dispute. The relevant Director General may then choose to ask the Permanent Secretary to nominate a non-executive member of the department's Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the Secretary of State.

12. Freedom of Information and Other Data Requests

- 12.1. Where a request for information is received by either party under the Freedom of Information Act 2000, or the Data Protection Act 1998 or 2018, the party receiving the request will consult with the other party prior to any disclosure of information that may affect the other party's responsibilities.

13. Reporting on legal risk and litigation

- 13.1. The HBLB shall provide a quarterly update to the sponsor on the existence of any active litigation and any threatened or reasonably anticipated litigation. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the sponsor in a timely manner.
- 13.2. In respect of each substantial piece of litigation involving the HBLB, the parties will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of the litigation and the protection of legally privileged information transmitted to the sponsor to facilitate this. Until such time as a protocol is agreed, the parties will ensure that:
- material developments in the litigation are communicated to the sponsor in an appropriate and timely manner
 - legally privileged documents and information are clearly marked as such
 - individual employees handling the legally privileged documents are familiar with principles to which they must adhere to protect legal privilege
 - circulation of privileged information within government occurs only as necessary

The HBLB governance structure

14. The Chief Executive

Responsibilities of the HBLB's chief executive as accounting officer

14.1. The Chief Executive as AO is personally responsible for safeguarding the public funds for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of the HBLB. In addition, they should ensure that the HBLB 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 MPM. These responsibilities include the below and those that are set in the AO appointment letter issued by the PAO of the DCMS.

Responsibilities for accounting to Parliament and the public

14.2. Responsibilities to Parliament and the public 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 the HBLB in accordance with Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling are established and made widely known within the HBLB and published on hblb.org.uk and gov.uk
- acting in accordance with the terms of MPM and other instructions and guidance issued from time to time by the DCMS, the HM Treasury and the Cabinet Office
- ensuring that as part of the above compliance they are familiar with and act in accordance with:
 - any governing legislation
 - this framework document
 - any delegation letter issued to the HBLB
 - any separate settlement letter that is issued to the HBLB from the DCMS
- ensuring they have appropriate internal mechanisms for monitoring, governance and external reporting regarding non-compliance with any conditions arising from the above documents
- giving evidence, normally with the PAO, when summoned before the PAC on the HBLB's stewardship of public funds

Responsibilities to the DCMS

14.3. Responsibilities to the DCMS include:

- establishing, in sighting the DCMS, the HBLB's corporate and business plans in the light of the department's wider strategic aims and agreed priorities

- informing the DCMS of progress in helping to achieve the DCMS'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 DCMS; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the DCMS in a timely fashion

Responsibilities to the HBLB Board

14.4. The Chief Executive is responsible for:

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

Managing conflicts

14.5. The Chief Executive should follow the advice and direction of the HBLB Board, except in exceptional circumstances where there is a strong and transparent rationale for not doing so.

14.6. If the HBLB 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 the Chief Executive in their role as AO should reject that course of action and ensure that the HBLB Board have a full opportunity to discuss the rationale for that rejection.

14.7. Such conflicts should be brought to the attention of the PAO and the responsible Minister as soon as possible.

14.8. Furthermore, and if agreed with the responsible Minister, the AO must write a letter of justification to the Chair of the HBLB Board setting out the rationale for not following the advice and recommendation of the HBLB Board and copy that letter to the Treasury Officer of Accounts.

14.9. If the responsible Minister agrees with the proposed course of action of the HBLB Board it may be appropriate for the Minister to direct the AO in the manner as set out in MPM paragraph 3.6.6 onwards.

15. The HBLB Board

Composition of the HBLB Board

15.1. The HBLB will have a Board in line with good standards of corporate governance and as set out in its establishing statute and in guidance as set out in Annex A. The role of the HBLB Board shall be to run the HBLB, and to deliver the objectives, in accordance with the purposes as set out above, their statutory, regulatory,

common law duties and their responsibilities under this framework document. Detailed responsibilities of the HBLB Board shall be set out in the HBLB Board terms of reference. Remuneration of the HBLB Board Members will be disclosed in line with the guidance in the Government Financial Reporting manual (FRoM).

- 15.2. The HBLB Board will consist of a Chair, together with two other Government appointed members, three members formally appointed by the Jockey Club in line with the 1963 Act, but in practice as nominated by the British Horseracing Authority (BHA) and one member appointed by the Betting and Gaming Council, who should have a balance of skills and experience appropriate to directing the HBLB's business. For the HBLB there should be members whose skills and experience align with the strategic direction of the organisation, such as finance, legal issues, operational delivery, corporate services such as HR, technology, property asset management, estate management, communications and performance management. The Chief Executive attends all Board meetings in a non-voting capacity. The HBLB Board shall appoint as an executive an appropriately qualified Finance Director (or Chief Finance Officer), as described in Annex 4.1 of MPM, who attends all Board meetings also in a non-voting capacity. It is recognised that the HBLB itself does not appoint any of its Board members but it and all of its appointing bodies, as noted above, should put in place reasonable strategies, such as via advertising details of vacancies and meeting potential candidates, to attract, recruit and retain diverse membership of its Board, with the goal of having a HBLB Board which is broadly representative of the makeup of contemporary British society and which draws fully on the different skills and perspectives which the country has to offer.

HBLB Board Committees

- 15.3. The HBLB Board may set up such committees as necessary for it to fulfil its functions. As is detailed below at a minimum this should include an Audit and Risk Assurance Committee chaired by an independent and appropriately qualified non-executive member of the HBLB Board.
- 15.4. While the HBLB Board may make use of committees to assist its consideration of appointments, audit, risk and remuneration it retains responsibility for, and endorses, final decisions in all of these areas. The Chair should ensure that sufficient time is allowed at the HBLB Board for committees to report on the nature and content of discussion, on recommendations, and on actions to be taken.
- 15.5. Where there is disagreement between the relevant committee and the HBLB Board, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreement cannot be resolved, the committee concerned should have the right to report the issue to the sponsor team, PAO and responsible Minister. They may also seek to ensure the disagreement or concern is reflected as part of the report on its activities in the annual report.
- 15.6. The Chair should ensure the HBLB Board committees are properly structured with appropriate terms of reference. The terms of each committee should set out its responsibilities and the authority delegated to it by the HBLB Board. The Chair should ensure that committee membership is periodically refreshed and that

individual independent non-executive directors are not over-burdened when deciding the chairs and membership of committees.

Duties of the HBLB Board

15.7. The HBLB Board is specifically responsible for:

- establishing and taking forward the strategic aims and objectives of the HBLB, consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State
- providing effective leadership of the HBLB within a framework of prudent and effective controls which enables risk to be assessed and managed
- ensuring the financial and human resources are in place for the HBLB to meet its objectives
- reviewing management performance
- ensuring that the HBLB Board receives and reviews regular financial and management information concerning the management of the HBLB
- ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of the HBLB Board or on the attainability of its targets, and determining the steps needed to deal with such changes and where appropriate bringing such matters to the attention of the responsible Minister and PAO via the executive team, sponsorship team or directly
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the HBLB Board operates within the limits of its statutory authority and any delegated authority agreed with the DCMS, and in accordance with any other conditions relating to the use of public funds
- ensuring that in reaching decisions, the HBLB Board takes into account guidance issued by the DCMS
- ensuring that as part of the above compliance they are familiar with:
 - this framework document
 - any delegation letter issued to the HBLB
 - any separate settlement letter that is issued to the HBLB from the DCMS
 - that they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding any conditions arising from the above documents and ensure that the chief executive and the HBLB as a whole act in accordance with their obligations under the above documents
- demonstrating high standards of corporate governance at all times, including by using the independent Audit and Risk Assurance Committee to help the HBLB Board to address key financial and other risks
- appointing 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
- putting in place mechanisms to collate feedback for annual evaluation of the performance of the Chair, taking into account the views of

- relevant stakeholders. The outcome of that evaluation should be made available to the responsible Minister
- determining all such other things which the HBLB Board considers ancillary or conducive to the attainment or fulfilment by the HBLB of its objectives

15.8. The HBLB Board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control.

15.9. The HBLB Board should make a strategic choice about the style, shape and quality of risk management and should lead the assessment and management of opportunity and risk. The HBLB Board should ensure that effective arrangements are in place to provide assurance over the design and operation of risk management, governance and internal control in line with the Management of Risk – Principles and Concepts (The Orange Book)⁴. The HBLB Board must set up an Audit and Risk Assurance Committee chaired by an independent and appropriately qualified non-executive member to provide independent advice and ensure that the department's Audit and Risk Assurance Committee are provided with routine assurances with escalation to the HBLB Board of any significant concerns. The HBLB Board is expected to assure itself of the adequacy and effectiveness of the risk management framework and the operation of internal control.

16. The HBLB Chair's role and responsibilities

16.1. The HBLB Chair is responsible for leading the board in the delivery of its responsibilities. Such responsibility should be exercised in the light of their duties and responsibilities as set out in their contract of employment/appointment letter, the priorities in the HBLB Chair's letter issued to them by the DCMS sponsor team, the statutory authority governing the HBLB, this document and the documents and guidance referred to within this document.

16.2. Communications between the HBLB's Board and the responsible Minister should normally be through the Chair.

16.3. The HBLB Chair is bound by the Code of Conduct for Board Members of Public Bodies⁵, which covers conduct in the role and includes the Nolan Principles of Public Life⁶.

16.4. In addition, the HBLB Chair is responsible for:

- ensuring including by monitoring and engaging with appropriate governance arrangements that the HBLB's affairs are conducted with probity
- ensuring that policies and actions support the responsible Minister's and where relevant other Ministers' wider strategic policies and where appropriate, these policies and actions should be clearly communicated and disseminated throughout the HBLB.

⁴ <https://www.gov.uk/government/publications/orange-book>

⁵ <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>

⁶ <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

16.5. The HBLB Chair has the following leadership responsibilities:

- formulating the HBLB Board's strategy
- ensuring that the HBLB 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

16.6. The HBLB Chair also has an obligation to ensure that:

- the work of the HBLB Board and its members are reviewed and are working effectively including ongoing assessment of the performance of individual HBLB Board members with a formal annual evaluation and more in-depth assessments of the performance of individual HBLB Board members when being considered for re-appointment
- that in conducting assessments that the view of relevant stakeholders including employees and the sponsorship team are sought and considered
- that the HBLB Board has a balance of skills appropriate to directing the HBLB's business, and that all directors including the Chair continually update their skills, knowledge and familiarity with the HBLB to fulfil their role both on the HBLB Board and committees. This will include but not be limited to skills and training in relation to financial management and reporting requirements, risk management and the requirements of board membership within the public sector
- HBLB Board members are fully briefed on terms of appointment, duties, rights and responsibilities
- they, together with the other HBLB Board members, receive appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice
- the responsible Minister is advised of the HBLB's needs when board vacancies arise
- there is a HBLB Board Operating Framework in place setting out the role and responsibilities of the HBLB Board consistent with the Government Code of Good Practice for Corporate Governance
- there is a code of practice for HBLB Board members in place, consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies

17. Individual HBLB Board members' responsibilities

17.1. Individual HBLB Board members should:

- comply at all times with the Code of Conduct for Board Members of Public Bodies, which covers conduct in the role and includes the Nolan Principles of Public Life as well as rules relating to the use of public funds and to conflicts of interest

- demonstrate adherence to the 12 Principles of Governance for all Public Body Non-Executive Directors as appropriate⁷
- 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 HBLB Board's rules on the acceptance of gifts and hospitality, and of business appointments
- act in good faith and in the best interests of the HBLB
- ensure they are familiar with any applicable guidance on the role of public sector non-executive directors and boards that may be issued from time to time by the Cabinet Office, HM Treasury or wider government

⁷ <https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-neds>

Management and financial responsibilities and controls

18. Delegated authorities

- 18.1. The HBLB's delegated authorities are set out in the delegation letter. This delegation letter may be updated and superseded by later versions which may be issued by the sponsor department in agreement with HM Treasury.
- 18.2. In line with MPM Annex 2.2 these delegations will be reviewed on an annual basis.
- 18.3. The HBLB shall obtain the DCMS and where appropriate HM Treasury's prior written approval before:
- entering into any undertaking to incur any expenditure that falls outside the delegations
 - incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications
 - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the DCMS
 - 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 MPM

19. Spending authority

- The HBLB shall have authority to incur expenditure without further reference to the DCMS on the following conditions: the HBLB shall comply with the delegations set out in the delegation letter. These delegations shall not be altered without the prior agreement of the sponsor department and as agreed by HM Treasury and Cabinet Office as appropriate
 - the HBLB shall comply with MPM 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
 - the HBLB shall provide the DCMS with such information about its operations, performance, individual projects or other expenditure as the DCMS may reasonably require.
- 19.1. Under section 25(1) (a) of the Betting, Gaming and Lotteries Act 1963 (as amended), "The Levy Board shall have power, with the approval of, and subject to any conditions imposed by, the Secretary of State to engage in any activity connected with any of the matters specified in section 24(1) (a) to (c) of this Act" and under section 25(1)(d) "to lend or invest money for the purposes of or in

connection with any activity in which they have power under paragraph (a) of this subsection to engage.” Section 25(2)(d) of the 1963 Act makes it clear the Board also has power to apply any moneys to make payments in accordance with schemes as approved by the Secretary of State pursuant to section 25(1)(a). The Secretary of State is therefore required under the Act to approve the relevant activities and schemes.

19.2. Under section 25(1)(a) the Secretary of State, or the DCMS officials as delegated, will consider whether a relevant activity or scheme complies with that section i.e. whether the activities or schemes are for a permitted purpose. Schemes must also comply with the separate spend controls and delegated limits and other financial requirements as set out in this framework document. Once a scheme has been approved, the DCMS is not required to approve individual decisions or expenditure determined by the HBLB within a relevant activity or scheme (unless the scheme was made conditional on such a requirement). The approval of the DCMS will be for the broad outline of the activity or scheme as a whole and the DCMS will not be party to decisions within the activity or scheme, such as a decision to make a specific grant.

19.3. In practice, the process for approving new activities or schemes, or significant changes to activities or schemes, will be done through the HBLB informing the DCMS of the activities and schemes that it proposes to undertake. This is most likely to be in the form of the HBLB Board papers and reference to its most recent Annual Report. This process of informing the DCMS may be done in writing or by discussion at regular liaison meetings between the Executive of the HBLB and the DCMS officials. The HBLB will provide a summary of the proposed activity or scheme and such other information as the DCMS may require to ensure that the proposed activity or scheme is within the power granted to the HBLB under section 25(1)(a) and to ensure that it is appropriate that approval not be subject to any particular conditions. The DCMS will respond within a reasonable timeframe providing a view on whether approval is needed and, if so, the timescale for obtaining it.

Formal approval for new schemes or activities will be given in writing, either by means of being recorded in the minutes of any of the meetings described in paragraph 16.3 above or by written response. Should the Secretary of State decide to impose conditions on activities under section 25(1)(a) or refuse any approval, then this will be given by the DCMS in writing and discussed with the HBLB.

20. Banking and managing cash

- 20.1. The HBLB must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking).
- 20.2. The HBLB should only hold money outside Government Banking Service accounts where existing accounts are in operation or a good business case can be made for doing so and HM Treasury consent is required for each new account to be established. Only commercial banks which are members of relevant UK clearing bodies may be considered for this purpose.

- 20.3. Commercial accounts where approved should be operated in line with the principles as set out in MPM.
- 20.4. The AO is responsible for ensuring the HBLB has a banking policy as set out in MPM and ensuring that policy is complied with.

21. Procurement

- 21.1. The HBLB will ensure that its procurement policies are aligned with and comply with any relevant UK or other international procurement rules and in particular the current Public Procurement Regulations (For example, but not exclusive to, the Public Contracts Regulations 2015 and the Procurement Act 2023).
- 21.2. The HBLB shall establish its procurement policies and document these in a Procurement Policy and Procedures Manual.
- 21.3. In procurement cases where the HBLB is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the DCMS sponsor team.
- 21.4. Goods, services, and works should be acquired by competition. Proposals to let single-tender or restricted contracts shall be limited and exceptional, and a quarterly report explaining those exceptions should be sent to the department.
- 21.5. Procurement by the HBLB of works, equipment, goods, and services shall be based on, a full option appraisal and value for money (VfM), i.e. the optimum combination and whole life costs and quality (fitness for purpose).
- 21.6. The HBLB shall:
- engage fully with department and government wide procurement initiatives that seek to achieve VfM from collaborative projects
 - comply with all relevant Procurement Policy Notes issued by Cabinet Office
 - co-operate fully with initiatives to improve the availability of procurement data to facilitate the achievement of VfM
- 21.7. The HBLB shall comply with the commercial⁸ and grants standards⁹. These standards apply to the planning, delivery, and management of government commercial activity, including management of grants in all departments and ALBs, regardless of commercial approach used and form part of a suite of functional standards that set expectations for management within government.
- 21.8. The direct award financial threshold value (where no competition has taken place to select a supplier) is set at £50,000 (ex VAT) for each contract or requirement.

⁸ <https://www.gov.uk/government/publications/commercial-operating-standards-for-government>

⁹ <https://www.gov.uk/government/publications/grants-standards>

22. Risk management

- 22.1. The HBLB 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 HM Treasury guidance Management of Risk: Principles and Concepts¹⁰.

23. Counter fraud and theft

- 23.1. The HBLB should adopt and implement policies and practices to safeguard itself against fraud and theft.
- 23.2. The HBLB should act in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set in MPM Annex 4.9 and the Counter Fraud Functional Standard¹¹. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter a contract or to provide grant or grant-in-aid.
- 23.3. The HBLB should keep records of and prepare and forward to the DCMS an annual report on fraud and theft suffered by the HBLB and notify DCMS of any unusual or major incidents as soon as possible. The HBLB should also report detected loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the counter fraud centre of expertise in line with the agreed government definitions as set out in Counter Fraud Functional Standard.

24. Staff

Broad responsibilities for staff

- 24.1. Within the arrangements approved by the responsible Minister and HM Treasury, the HBLB 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 are based on merit; there is no discrimination against employees with protected characteristics under the Equality Act 2010
 - the level and structure of its staffing are appropriate to its functions and the requirements of economy, efficiency and effectiveness
 - the performance of its staff at all levels is satisfactorily appraised and the HBLB performance measurement systems are reviewed from time to time
 - its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the HBLB'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

¹⁰ http://www.hm-treasury.gov.uk/orange_book.htm

¹¹ <https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>

- a code of conduct for staff is in place based on the Cabinet Office's Model Code for Staff of Executive Non-departmental Public Bodies¹².

Staff costs

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

Pay and conditions of service

- 24.3. The HBLB is an NDPB operating under the provisions of the Betting, Gaming and Lotteries Act 1963 (as amended). Its staff are not civil servants. Nor do its staff belong to the Civil Service Pension Scheme; instead they are members of a separate Defined Contribution scheme run by the HBLB. The HBLB's pay arrangements are also different from those of the Civil Service in that staff are not graded and do not receive bonuses or progression pay. The DCMS recognises that the HBLB has different historic and current pay structures to civil servants, and that staff with expertise in betting and/or racing are likely to come from the private sector. Where possible, this will be taken into account when interpreting the provisions below.
- 24.4. Although under section 24 (7) of the Betting, Gaming and Lotteries Act 1963 (as amended), the HBLB has the power to appoint officers, servants and agents on such terms as to remuneration, pensions or otherwise as the HBLB Board may determine, the HBLB's staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by the sponsor department and HM Treasury. The HBLB has no delegated power to amend these terms and conditions.
- 24.5. Staff terms and conditions should be set out in an Employee Handbook, which should be provided to the department together with subsequent amendments.
- 24.6. The HBLB shall abide by public sector pay controls, including the Pay Remit Guidance, the relevant approvals process dependent on the organisation's classification as detailed in the Senior Pay Guidance¹³ and the Public Sector Pay and Terms Guidance¹⁴.
- 24.7. Where the HBLB operates a performance-related pay scheme, it shall have due regard to the Senior Pay Guidance. In practice, this means the HBLB will take account of the rules on bonuses set out in this Guidance should it decide to pay bonuses
- 24.8. The travel expenses of the HBLB Board members shall be tied to the rates allowed to senior staff of the HBLB. Reasonable actual costs shall be reimbursed.

¹²https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf

¹³ <https://www.gov.uk/government/publications/senior-civil-service-pay-and-reward>

¹⁴ <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>

Pensions, redundancy and compensation

- 24.9. Any new compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments.
- 24.10. The HBLB staff shall normally be eligible for a defined contribution pension scheme provided by the organisation on the terms and conditions set out by the HBLB, to which employer and employee contribute monthly.
- 24.11. Any proposal by the HBLB to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office beyond contractual entitlement, requires the prior approval of the department. Proposals on severance must comply with the rules in chapter 4 of MPM.

25. Disposal of Assets

- 25.1. The HBLB requires the Secretary of State's approval for any disposal of land regardless of value.
- 25.2. The HBLB should seek approval from the DCMS for the disposal of all other assets (excluding fixtures and fittings).
- 25.3. The sale or lease of assets at below market value is regarded as a gift. If the difference between the market value and the amount received (i.e. the gift) exceeds £300k, HM Treasury approval is required.
- 25.4. Unless a specific delegation limit is awarded to the HBLB, HM Treasury approval is required for all retention of receipts arising from asset disposals regardless of value.
- 25.5. The HBLB shall comply with the requirements set out in Annex B.

Business plans, financial reporting and management information

26. Corporate and business plans

- 26.1. By June, the HBLB shall annually report on their three-year business plan to the DCMS in such time as to allow meaningful consideration and feedback - including sighting Ministers. The HBLB shall agree with the DCMS the issues to be addressed and the timetable for its preparation. The plan shall reflect the HBLB's statutory duties and, within those duties, the priorities set from time to time by the responsible Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how the HBLB contributes to the achievement of the department's medium-term plan and priorities and aligned performance metrics and milestones where appropriate.
- 26.2. Subject to any commercial considerations, a digest of business plans should be published by the HBLB on its website and separately be made available to staff.
- 26.3. The following key matters should be included in the plans:
- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives
 - key non-financial performance targets
 - a review of performance in the preceding financial year, together with comparable outturns for the relevant previous years, and an estimate of performance in the current year
 - alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast
 - other matters as agreed between the department and the HBLB

27. Budgeting procedures

- 27.1. Each year, in the light of decisions by the DCMS on the updated draft DCMS corporate plan, the DCMS will send to the HBLB:
- a statement of any planned change in policies affecting the HBLB
- 27.2. The HBLB business plan will take account both of approved funding provision, where this applies, and any forecast receipts, where this applies. It 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 business plan for the year in question.

28. Ring-fenced grants

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

another financial year without express approval from the DCMS. For the avoidance of doubt, this does not apply to the HBLB's own reserves where these are not derived from separate grant funding.

29. Annual report and accounts

29.1. The HBLB Board must publish an annual report of its activities together with its audited accounts after the end of each financial year. The HBLB shall provide the DCMS with its finalised (audited) accounts by 31st July each year, subject to the auditor having completed the audit, in order for the accounts to be consolidated within the DCMS'. A draft of the report should be submitted to the DCMS two weeks before the proposed publication date. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the DCMS as well as the HM Treasury's Financial Reporting Manual (FRoM).

29.2. The annual report must:

- cover any corporate, subsidiary or joint ventures under its control
- comply with the FRoM and in particular have regard to the illustrative statements for an NDPB¹⁵
- outline main activities and performance during the previous financial year and set out in summary form forward plans.

29.3. Information on performance against key financial targets is included within the annual report and subject to the auditor's consistency opinion. The report and accounts shall be laid in Parliament and made available on the HBLB website, in accordance with the guidance in the FRoM.

30. Reporting performance to the department

30.1. The HBLB 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 business plans.

30.2. The HBLB shall inform the DCMS 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 regularly.

30.3. The HBLB's performance shall be formally reviewed by the DCMS twice a year.

30.4. The responsible Minister will meet the Chair once a year.

30.5. The PAO will meet the Chief Executive at least once a year.

31. Information sharing

31.1. Subject to any legal requirements, the DCMS has the right of access to all the HBLB records and personnel for any purpose including, for example, sponsorship audits and operational investigations.

¹⁵ <https://www.gov.uk/government/publications/government-financial-reporting-manual-2020-21>.

- 31.2. The HBLB shall provide the DCMS with such information about its operations, performance, individual projects or other expenditure as the DCMS may reasonably require.
- 31.3. The DCMS will supply, on request from the HBLB, information they require within any reasonable timescale required by the HBLB.
- 31.4. The DCMS and HM Treasury may request the sharing of data held by the HBLB in such a manner as set out in central guidance except insofar as it is prohibited by law. This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.
- 31.5. As a minimum, the HBLB shall provide the DCMS with information when requested that will enable the DCMS satisfactorily to monitor:
- the HBLB's cash management
 - forecast outturn by resource headings
 - other data required for the Online System for Central Accounting and Reporting (OSCAR)
 - data as required in respect of its compliance with any Cabinet Office Controls pipelines

Audit

32. Internal audit

32.1. The HBLB shall:

- establish and maintain arrangements for internal audit
- ensure that any arrangements for internal audit are in accordance with the Public Sector Internal Audit Standards (PSIAS) as adopted by HM Treasury¹⁶.
- ensure the DCMS is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with PSIAS
- set up an audit and risk assurance committee of its board in accordance with the Code of Good Practice for Corporate Governance and the Audit and Risk Assurance Committee Handbook,
- forward the audit strategy, periodic audit plans and annual audit report, including the HBLB Head of Internal Audit opinion on risk management, control and governance as soon as possible to the DCMS
- keep records of and prepare and forward to the DCMS an annual report on fraud and theft suffered by the HBLB and notify the DCMS of any unusual or major incidents as soon as possible
- will share with the DCMS information identified during the audit process and the Annual Audit Opinion Report (together with any other outputs) at the end of the audit, in particular on issues impacting on the DCMS' responsibilities in relation to financial systems within the HBLB

33. External audit

33.1. The Comptroller & Auditor General (C&AG) audits the HBLB's annual accounts and passes the audited accounts to the Secretary of State who will lay the accounts together with the C&AG's report before parliament.

33.2. In the event that the HBLB has set up and controls subsidiary companies, the HBLB 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. The HBLB shall discuss with the DCMS the procedures for appointing the C&AG as auditor of the companies.

33.3. The C&AG:

- will consult the DCMS and the HBLB on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from the HBLB
- will share with the DCMS 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 DCMS' responsibilities in relation to financial systems within the HBLB

¹⁶ <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

- will consider requests from departments and other relevant bodies to provide regulatory compliance reports and other similar reports at the commencement of the audit. Consistent with the C&AG's independent status, the provision of such reports is entirely at the C&AG's discretion

33.4. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the HBLB has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the HBLB 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.

Reviews and winding up arrangements

34. Review of HBLB's status

34.1. The HBLB will be reviewed as part of the wider Public Bodies Reviews programme, at a time determined by the DCMS' ministers and their PAO.

35. Arrangements in the event that the HBLB is wound up

35.1. The DCMS shall put in place arrangements to ensure the orderly winding up of the HBLB. In particular it should ensure that the assets and liabilities of the HBLB are passed to any successor organisation and accounted for properly (including any remaining loan balance (including interest) owed to the 2020/21 Sport Survival Package and any other similar successor Government loan fund). (In the event that there is no successor organisation, the assets and liabilities should revert to the DCMS.) To this end, the DCMS shall:

- have regard to Cabinet Office guidance on winding up of ALBs¹⁷
- ensure that procedures are in place in the HBLB to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body
- specify the basis for the valuation and accounting treatment of the HBLB'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 ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB AO should sign the closing accounts. In the event that the DCMS inherits the role, responsibilities, assets and liabilities, the DCMS' AO should sign

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

¹⁷https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690952/Public_Bodies_-_a_guide_for_departments_-_chapter_10.pdf

Annex A: Guidance

The HBLB shall, where relevant, comply with the following guidance, documents and instructions:

Corporate governance

- This framework document
- Corporate Governance Code for Central Government Departments (relevant to Arm's Length Bodies) and supporting guidance:
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>
- Code of conduct for Board members of Public Bodies:
<https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>
- Code of practice for partnerships between Departments and Arm's Length Bodies:
<https://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice#:~:text=This%20code%20of%20good%20practice,partnership%20approach%20to%20shaping%20relationships.>

Financial management and reporting

- Managing Public Money (MPM):
<https://www.gov.uk/government/publications/managing-public-money>
- Government Financial Reporting Manual (FRM):
www.gov.uk/government/collections/government-financial-reporting-manual-frem
- Relevant Dear Accounting Officer (DAO) letters:
www.gov.uk/government/collections/dao-letters
- Relevant guidance and instructions issued by HM Treasury in respect of Whole of Government Accounts: <https://www.gov.uk/government/collections/whole-of-government-accounts>

Management of risk

- Management of Risk: www.gov.uk/government/publications/orange-book and <https://www.gov.uk/government/publications/management-of-risk-in-government-framework>
- Public Sector Internal Audit Standards:
www.gov.uk/government/publications/public-sector-internal-audit-standards

- HM Treasury approval processes for Major Projects above delegated limits:
<https://www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects>
- The Government cyber-security strategy and cyber security guidance:
<https://www.gov.uk/government/publications/national-cyber-strategy-2022/national-cyber-security-strategy-2022> and
<https://www.gov.uk/government/collections/cyber-security-guidance-for-business>

Commercial management

- Procurement Policy Notes:
<https://www.gov.uk/government/collections/procurement-policy-notes>
- Cabinet Office spending controls:
<https://www.gov.uk/government/collections/cabinet-office-controls>
- Transparency in supply chains - a practical guide:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040283/Transparency_in_Supply_Chains_A_Practical_Guide_2017_final.pdf

Public appointments

The following are relevant where public bodies participate in public appointments processes.

- Guidance from the Commissioner for Public Appointments:
<https://publicappointmentscommissioner.independent.gov.uk/>
- Governance Code on Public Appointments:
www.gov.uk/government/publications/governance-code-for-public-appointments
- Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees:
<https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees>

Staff and remuneration

- HM Treasury guidance on senior pay and reward:
www.gov.uk/government/publications/senior-civil-service-pay-and-reward
- Civil Service pay guidance (updated annually):
www.gov.uk/government/collections/civil-service-pay-guidance
- Public sector pay and terms: <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>
- Whistleblowing Guidance and Code of Practice:
<https://www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers>

- The Equalities Act 2010: www.gov.uk/guidance/equality-act-2010-guidance

General

- Freedom of Information Act guidance and instructions: www.legislation.gov.uk/ukpga/2000/36/contents and <https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration: <https://www.ombudsman.org.uk/about-us/our-principles>
- Other relevant instructions and guidance issued by the central Departments (Cabinet Office and HM Treasury)
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and are relevant to HBLB.
- Guidance from the Public Bodies team in Cabinet Office: www.gov.uk/government/publications/public-bodies-information-and-guidance
- The Civil Service diversity and inclusion strategy (outlines the ambition, to which Arm's Length Bodies can contribute): <https://www.gov.uk/government/publications/civil-service-diversity-and-inclusion-strategy-2022-to-2025>
- Guidance produced by the Infrastructure and Projects Authority (IPA) on management of major projects: www.gov.uk/government/organisations/infrastructure-and-projects-authority
- The Government Digital Service: www.gov.uk/government/organisations/government-digital-service
- The Government Fraud, Error, Debt and Grant Efficiency function; www.gov.uk/government/collections/fraud-error-debt-and-grants-function and www.gov.uk/government/publications/grants-standards
- Code of Practice for Official Statistics: <https://code.statisticsauthority.gov.uk/#:~:text=The%20Code%20of%20Practice%20for%20Statistics%20sets%20the,produced%20by%20people%20and%20organisations%20that%20are%20trustworthy.>
- Accounting Officer System Statements (AOSS are produced by departments with input from ALBs): www.gov.uk/government/publications/accounting-officer-system-statements

ANNEX B: Commercial Requirements

The following outlines in full the commercial requirements of DCMS Public Bodies, as well as a list of mandated reporting requirements. This document provides additional detail to the HBLB's framework document, in order to support their full compliance with commercial and procurement requirements.

Public Contracts Regulations:

The HBLB will ensure that its procurement policies are aligned with and comply with any relevant UK or other international procurement rules and in particular the current Public Procurement Regulations (For example, but not exclusive to, Public Contracts Regulations 2015 and the Procurement Act 2023). ~~The~~ The Horserace Betting Levy Board shall comply with the relevant thresholds for procurement activity that apply under these regulations.

Central Government Policy and Processes:

The HBLB shall acquire goods and services through fair and open competition, in accordance with the Government Commercial Operating Standards (including the Outsourcing Playbook), delivering value for money through procurement, and operating in line with UK and other international law, including restrictions on state aid/subsidy controls.

The HBLB shall comply with current and future requirements on additional spend controls, delegated authorities and authorisations on procurement and leases as notified to them by the Department.

Where possible and appropriate, the HBLB shall utilise whichever Crown Commercial Services frameworks are relevant to its needs.

The HBLB must support the wider Government Commercial Function's strategies and programmes in their design, implementation and sustained application.

The HBLB must embed all applicable current and future Procurement Policy Notes into its commercial operations. In particular, the HBLB must:

- Support the Government's SME agenda through appropriate procurement activity
- Promote the inclusion of the Social Value Act and its associated principles in procurement activity wherever possible.
- Comply with Government transparency policies and commitments.

As far as reasonably practicable, support Commercial Procurement and Contract Management improvement and oversight initiatives including:

- Contract Classification for all contracts
- Internal spend control assurance & governance processes, aligned to the Department and Cabinet Office Commercial Spend Control approval processes.
- GCOS Implementation and Reporting
- Pipeline reporting
- Assurance and audit implementation and reporting
- Contracts Finder compliance reporting
- Contract KPI reporting for external public publication
- Commercial Systems and Data improvement initiatives e.g. CASIE

Where appropriate, attend Cabinet Office training programmes designed to raise commercial awareness and improve commercial capability, including Playbook and GCOS masterclasses, and Contract Management Capability Training.

Departmental Policy and Processes

The HBLB shall comply with the DCMS spend controls as set by DCMS Commercial.

In procurement cases where the HBLB is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the DCMS Commercial Director.

The HBLB must comply with the direct award process. The DCMS Commercial Director will consider the delegated limit for direct award contracts annually each March and may adjust as appropriate.

Collaborative initiatives

As far as reasonably practicable, the HBLB shall:

- Support all Commercial Procurement and Contract Management improvement and oversight initiatives from the DCMS and the Cabinet Office.
- Support collaborative procurement and commercial efforts across the DCMS and its PBs. This will include supporting the establishment of a DCMS Commercial Council or similar body, where such a group has been instituted, and wider commitments to support knowledge-sharing and training for staff involved in Commercial and Procurement activity across the DCMS PBs.
- Support the formation and ongoing activities of a commercial function across the DCMS family of public bodies, through engagement with the DCMS Commercial team.
- Engage fully with the DCMS and Government wide procurement initiatives that seek to achieve VfM from collaborative projects.

Grants and other bodies

The HBLB shall comply with the Commercial and Grants Standards. These standards apply to the planning, delivery, and management of government commercial activity, including management of grants in all departments and arm's length bodies, regardless of commercial approach used and form part of a suite of functional standards that set expectations for management within government.

In circumstances where HBLB finds itself having oversight and assurance of other public bodies or the procurement activities of private bodies spending public money the HBLB shall ensure, as far as is reasonably practicable, and in so far as it has legal authority to do so, that all such parties adhere to the principles of Managing Public Money including the encouragement of transparent and robust practices and compliance with any applicable law.

Management Information and Compliance

The DCMS and the HBLB are committed to sharing information to ensure transparency and alignment.

The HBLB recognises that the DCMS will at times need to request information on an ad hoc basis and/or with a short time frame as required. The HBLB must (and within any reasonable timescale required by the DCMS) supply any information requested by the DCMS, and should proactively seek to provide the DCMS with advanced sight of events and publications which the Government would take an interest in.

In addition to this ad hoc information and open lines of communication, the DCMS expects the HBLB to provide regular information as requested on Commercial and Procurement. The below indicative list is intended to enable advanced planning for anticipated Departmental commissions; it is not exhaustive and may be subject to change.

Commission title	Timescale	DCMS lead team	Purpose
Consultancy Spend Control pipeline and compliance return (including nil returns)	Quarterly	Commercial	For DCMS and the Cabinet Office to plan and keep track of the public sector consultancy contracts and approvals
Commercial Spend Control Pipeline return (including nil returns)	Quarterly	Commercial	For the submission of the Departments quarterly Commercial Spend Control pipeline to Cabinet Office in accordance with Cabinet Office guidelines
Contract register	Quarterly	Commercial	For oversight of commercial liability and risk across sectors, categories and suppliers, if a contract register is available.
Government Commercial Operating Standards (GCOS) return	Six months	Commercial	For the submission of the Departments annual Government Commercial Operating Standards (GCOS) return and six-month update against improvement plans.
Contracts finder compliance report	Six months	Commercial	Transparency policy compliance reporting
Submission of procurement spend transactions to Bravo	Annually	Commercial	To comply with Cabinet Office spend reporting requirements
Government Key Contracts Public KPIs return	Quarterly	Commercial	For the submission of the Department's quarterly Key

			Contracts Public KPIs return to the Cabinet Office
Procurement pipeline for publication return	Quarterly	Commercial	For the submission of the Departments quarterly pipeline return for publication on Gov.uk
Social Value reporting return	Quarterly	Commercial	To comply with Cabinet Office policy on Social Value reporting. Specifically, at (a) pipeline (b) procurement strategy (c) Contract award (d) contract close subject to PPN06/2020
Prompt Payment reporting for contracts	Quarterly	Commercial	To ensure accurate reporting to Cabinet Office of in-scope contracts including any exclusions and exemptions requested
Return for the review of key metrics, targets and reports related to procurement, contract management and commercial resourcing	Quarterly	Commercial	To benchmark procurement spend, compliance assessment to policy and provide data on economic effect of spend by Departments and PBs including 3rd party spend and commercial risk reporting.
Direct and Indirect SME spend	Quarterly and Annually	Commercial	To support the Government's SME Agenda and the DCMS SME Action Plan

HM Treasury contacts

This document can be downloaded from www.gov.uk

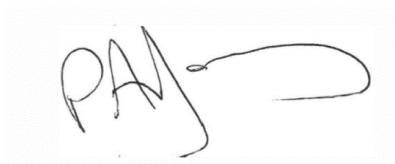
If you require this information in an alternative format or have general enquiries about HM Treasury and its work, contact:

Correspondence Team
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

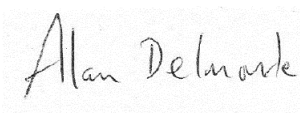
Tel: 020 7270 5000

Email: public.enquiries@hmtreasury.gov.uk

Paul Darling, Chairman, HBLB

A handwritten signature in black ink, appearing to read 'PAUL', followed by a long horizontal stroke.

Alan Delmonte, Chief Executive and Accounting Officer, HBLB

A handwritten signature in black ink that reads 'Alan Delmonte'.

Ruth Hannant & Polly Payne, Directors-General, Policy, DCMS

A handwritten signature in black ink, appearing to read 'Ruth Hannant'.A handwritten signature in black ink that reads 'Polly Payne'.

