

Cefas framework document

Version 4
April 2008



Cefas framework document

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1. Foreword by the Secretary of State

This Framework Document defines Cefas' role and responsibilities in delivering key aspects of Defra's and wider Government's objectives, resulting from the Department's strategies and Public Service Agreements (PSA). It also outlines its work and constitution as a specialist science agency within the Defra Network. It provides a definitive guide for Cefas, and for all who interact with the Agency.

Operating as an executive agency of Defra, Cefas works alongside Government and other agencies, both in the UK and internationally, to play a vital role in securing healthy marine and freshwater environments for everyone's wellbeing, health and prosperity. This includes providing leadership in understanding the challenges presented by climate change on aquatic environments and ecosystems, and associated options for mitigation and adaptation.

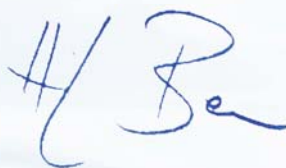
This is achieved by providing evidence-based scientific advice, managing related data and information, conducting world-class scientific research, and facilitating collaborative action through our wide-ranging international relationships.

Supporting Defra through a strong, open and strategic partnership – based around a shared set of values – will continue to be an important aspect of Cefas' activities. This shared commitment has been captured in the recently signed 10 year High Level Agreement.

Cefas will further enhance its capability, relationships and influence through commercial application of its skills and knowledge. Significant expansion of activity beyond its core Defra customers is an important strategic goal.

Cefas was established as an Executive Agency in order to encourage success in this remit, by providing the freedoms and accountability necessary to achievement of its strategic aims.

The 2002 "Science for Sustainability" review of relationships between Defra and its science agencies, and further review in 2004, reinforced the need for a clear vision and objectives, jointly agreed with Defra, and supported by strategic and financial commitment. Cefas must demonstrate secure internal governance arrangements and manage risks to foster efficiency, flexibility, customer focus and scientific innovation. This Framework Document has been developed to enable these aspirations. Cefas and its managers have my full support and best wishes for the continued prosperity of the agency.



Hilary Benn

2. Vision and purpose

Cefas' vision is to make a real difference for society as recognised leaders in marine and aquatic science.

This is a timeless goal. It reflects Cefas' rich heritage and great pride in the positive impact for society that it delivers through the application of its world class science and through the contribution that all of its staff, both scientific and non-scientific, bring to making this vision a reality.

Cefas' markets and customers are changing markedly and rapidly. In delivering its vision and ensuring a sustainable future, Cefas must respond and continually evolve to adapt to a dynamic external world. To deliver its aspirations, Cefas is focussing on three interdependent actions:

- **creating a vibrant, influential business that is valued and trusted as a strategic partner**
- **fostering expertise and integrating inter-disciplinary high quality science and technology to deliver sustainable outcomes**
- **attracting, developing and enthusing exceptional people.**

Cefas' purpose as an executive agency of Defra is to work alongside Government and other agencies, both UK and international, to play a vital role in securing healthy marine and freshwater environments for everyone's wellbeing, health and prosperity. This includes leadership in understanding the challenges presented by climate change on aquatic environments and ecosystems, and associated options for mitigation and adaptation.

This is achieved by providing evidence-based scientific advice, managing related data and information, conducting world-class scientific research, and facilitating collaborative action through wide-ranging international relationships.

Cefas applies expertise and knowledge gained through over 100 years of applied science and research to:

- conserve and enhance marine and wider aquatic environments and ecosystems
- ensure sustainable use of natural resources, in particular fish stocks
- collect, interpret and manage data to underpin decisions and to support long term monitoring
- protect society and the economy from the effects of aquatic contaminants and fish diseases
- promote adaptation to the impacts of climate change on the aquatic environment and ecosystems
- enable government and other customers' response to emergencies.

Cefas is a key delivery partner for Defra and the Marine and Fisheries Agency, and in future for the new Marine Management Organisation which will be established through the Marine Bill.

Cefas' work directly supports delivery of the aquatic related aspects of Defra's Public Service Agreement targets as agreed in the Comprehensive Spending Review 2007. It has strong involvement in the following Strategic Objectives:

Defra Strategic Objectives	Intermediate Outcomes
A healthy, resilient, productive and diverse natural environment.	<p>Clean, healthy, safe, productive and biologically diverse oceans and seas.</p> <p>Public health and the economy protected from animal diseases. Society and ecosystems adapted to climate change</p> <p>Economy and society resilient to environmental risks and adapted to the impacts of climate change.</p> <p>Protection of the economy, human health and ecosystems from environmental risks and emergencies</p>
A respected department delivering efficient and high quality services and outcomes which meets the needs of customers.	<p>Defra shaped to deliver effectively, with resources flexibly deployed and aligned to:</p> <ul style="list-style-type: none"> • skills, capabilities and resources aligned to priorities • delivering effectively through partners • deliver high quality science • effective and well evidenced policy development and implementation. <p>Defra prepared to deal swiftly and efficiently with emergencies in all its areas of responsibility.</p>

All of Cefas' work is delivered through contracts. By being commercially strong, with a clear business orientation in its delivery and a remit to exploit growing wider markets opportunity alongside its work for Government, Cefas builds the skills that underpin its sustainable future. The margins generated from contracts allows Cefas to reinvest in its business and science, and so maximise the value to the taxpayer of its unique knowledge and facilities.

3. Description of Cefas

The Centre for Environment Fisheries and Aquaculture Science (Cefas) is an Executive Agency of the Department for Environment, Food and Rural Affairs (Defra).

Cefas employs over 500 staff and has an annual turnover of around £50m.

Cefas operates from two main sites in Lowestoft (the head office) and Weymouth. It is relocating its Burnham-on-Crouch laboratories to Lowestoft during 2008. Cefas also has small project offices at other locations in the UK.

The address of the Head Office is:

Cefas Lowestoft Laboratory
Pakefield Road
Lowestoft
Suffolk NR33 0HT
Tel: +44 (0) 1502 562244
Fax +44 (0) 1502 513865

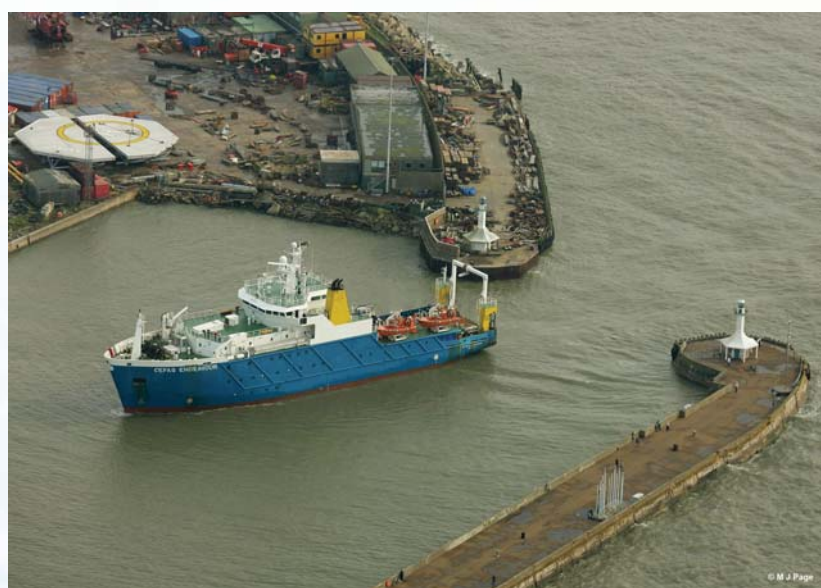
4. Framework for the future

In June 2006 Ministers agreed a transformation plan for Cefas which provides for its sustainability and requires Cefas to:

- consolidate activities out of facilities at Lowestoft and Burnham on Crouch into a new fit for purpose site
- develop its ability to generate income from external customers
- provide efficiencies as set out in the Transformation Plan.

As part of this same plan, Defra committed to a 10 year funding profile, detailed in a High Level Agreement, which provides important stability for Cefas during its period of major change.

As part of this agreement, it was agreed that Cefas would remain a public body. It was further agreed that once implementation of the transformation plan was sufficiently underway, Defra would consider whether there would be benefit in another model of fully public ownership. The Chief Executive of Cefas would lead the development of any such proposal.



Research Vessel *Cefas Endeavour* entering Lowestoft harbour
© M J Page

5. Relationship between the Minister, Cefas and Defra

Cefas

Cefas, as an executive agency has:

- a clearly defined business framework (as laid out in this document, the Agreement for the Provision of Services, the Corporate Plan and Annual Business plan)
- a focus on delivery within an agreed framework of accountability
- sufficient financial and personnel flexibilities to deliver its role
- a chief executive with personal responsibility and accountability for operational decisions
- a published annual report and audited accounts, including a review of performance against targets.

The Secretary of State

The Secretary of State has overall responsibility for Cefas and is accountable to Parliament for all matters concerning Cefas. The Secretary of State for Environment, Food and Rural Affairs is responsible for the overall policy and financial framework within which the Agency operates. This will be set in consultation with Devolved Administrations where appropriate. In practice the Secretary of State may empower the Minister to act on his/her behalf on all ownership matters related to the Agency. In 2008 Cefas is included in the portfolio of the Minister for Marine, Landscape and Rural Affairs ("the Minister").

The Minister

The Minister's role is to.

- set annual performance targets for the agency, and agree the corporate and annual business plans
- nominate an individual (usually a member of the Departmental Management Board and always a member of the Senior Civil Service) to act on behalf of the Minister in all ownership matters ("the Defra Corporate Owner and Chief Executive's line manager") and generate the close contact needed between Cefas and Defra. The Minister does not normally get involved in the day-to-day running of Cefas, but in exceptional circumstances, where he or she judges action to be required, he or she may issue such directions or instructions to the Chief Executive as appropriate
- nominate an individual (always a member of the Senior Civil Service) to act on behalf of the Minister in all customer matters ("the Defra Corporate Customer")
- determine, in consultation with colleagues in the Devolved Administrations and acting on advice from the Corporate Owner, the extent of any suspension of "normal" services or temporary relief to required service levels during an emergency or during the application of a recovery plan
- make strategic decisions for the long-term viability and sustainability of the organisation that arise during the transformation programme, from consideration of different public ownership models for Cefas and also from the indirect impact of wider Defra strategies (for example the proposed setting up of a new Marine Management Organisation).

The Minister also aims to meet the Cefas Chief Executive in person at least annually to discuss Cefas' strategy, performance and how risks can best be managed on behalf of the Secretary of State.

The Permanent Secretary and the Defra Management Board

In practice the Minister's nomination of individuals to be the Defra Corporate Owner and the Defra Corporate Customer is delegated to the Permanent Secretary. The Permanent Secretary nominates two members of the Defra Senior Civil Service to carry out these roles. In the case of Cefas the role of Corporate Owner rests with a Director General and the role of Corporate Customer rests with a Director.

Through the Statement of Internal Control the Defra Management Board remain collectively responsible for delivery by the Agency, and accountable to Ministers for Cefas' delivery.

The Permanent Secretary and Senior Appointments Board will appoint the Chief Executive, usually after open competition and in accordance with the rules on public appointments.

The Defra Corporate Owner

The Corporate Owner role is separate and distinct from the Corporate Customer role and recognises that there are ownership risks and responsibilities that are different from customer interests and may sometimes conflict with them. The Corporate Owner is responsible for the strategic direction of the agency and for corporate performance monitoring.

The role of Corporate Owner is set out in detail in the Agreement for the Provision of Services. At a high level the Corporate Owner is responsible:

- with the agency's Chief Executive, for agreeing the overall strategic direction proposed by the Agency, taking account of the strategic fit of that direction with the Department's plans
- for ensuring the adequacy of departmental financial resources and investments in Cefas to achieve Ministerial Targets and maintain Defra's emergency response capability, moderating with the Corporate Customer as required
- for agreeing any Defra funded investment decisions
- for agreeing the annual performance targets for the Agency and its Chief Executive and assessing delivery against these
- for ensuring the acceptability of the Agency's risk profile to the Department, and reviewing output from governance processes within the Agency
- for recruitment of the Agency Chief Executive.

The Defra Corporate Customer

A single senior level Corporate Customer is the high level interface with the agency on customer matters and coordinates the collective Defra customer requirement (corporate “contract”) across core Defra and its agencies.

The role of the Corporate Customer is set out in detail in the High Level Agreement. The role of the Corporate Customer is to:

- be the high level interface with the Agency on all matters relating to the overall purchase, delivery and quality of services provided to Defra by Cefas as part of the High Level Agreement
- coordinate the collective Defra customer requirement across core Defra and its agencies, and make proposals as necessary to the Management Board and Ministers
- look ahead in framing the customer requirement in order to clarify the firm commitment to the Agency which underpins its business and corporate plans and long term strategic assets
- maintain the long term rolling commitment and coordinate the medium and short term requirement within the overall funding envelope.

The Chief Executive

The Agency is headed by a Chief Executive who has responsibility for the day to day management of the Agency in accordance with this Framework Document and the Corporate and Business Plans agreed with Defra. The Chief Executive is advised by the Defra Corporate Owner to ensure on-going alignment with Defra objectives.

The Chief Executive:

- is required to be proactive in managing Cefas' strategic direction and in generating proposals to Defra, to ensure the Agency's future and long term sustainability
- is directly accountable to ministers and for the operation of the agency within the policy framework set by the Minister, and to the Permanent Secretary, as Principal Accounting Officer, for the financial management of Cefas, for performance against key targets and for reporting any significant difficulties in meeting such delivery targets to the Corporate Owner
- within the limits of his or her assigned authority, has the responsibility for making such changes to the organisation as he or she considers necessary to maintain and improve the operating efficiency and overall performance of Cefas
- will take personal responsibility for the performance of the Agency, in line with the requirement for the individual members of the Defra Management Board to take personal responsibility for the performance of their delivery bodies and for the Defra Management Board collectively to take corporate responsibility for delivery.

- is a Civil Servant and is employed by Defra. He or she, is at all times subject to the prevailing rules that govern the conduct of Civil Servants or that determine the propriety of action which Civil Servants may take, including the Civil Service Code and any central guidance that may from time to time be given to Agency Chief Executives.

The Chief Executive will be supported by a Cefas Management Board, which will include a number of non-executive members who are appointed by the Chief Executive.

Defra Chief Scientific Advisor

The Defra Chief Scientific Advisor (CSA):

- is responsible for independent challenge to the scope, content and quality of Defra's scientific activities, including its investment plans for science, its programmes and its specialist resources
- acts as the formal Head of Profession for Science, Engineering and Technology specialists working in Defra and its laboratory agencies
- plays a key role in explaining and championing the science underpinning Defra policies (including science provided by the laboratory agencies) to the public and the science community and plays a key role in helping the Department engage with the public in a two way dialogue on scientific issues.

To deliver this role, the CSA meets with the Cefas Chief Executive on a regular basis including periodic visits to the agency.

Cefas' relationship with Defra

The Agency's relationship with Defra and strategic direction is captured in a number of key documents:

- this framework document
- Cefas' strategic direction and objectives as detailed in its Corporate Strategic Plan
- the annual targets as detailed in its annual business plan
- the long term agreement for the provision of services to Defra, as agreed between Cefas, the Corporate Owner and the Corporate customer (The Ten Year High Level Agreement signed in April 2007).

Cefas cannot make material changes to these documents without Defra's or the Minister's agreement as appropriate.

The Chief Executive will submit to the Corporate Owner for agreement by the Minister any proposition that involves a material change to previously agreed Corporate and Business plans. This includes changes to strategic investments in the organisation.

If Cefas proposes any changes that will have a material negative impact on its relationship with any part of the Defra Network, the Chief Executive must obtain the agreement of the Defra Corporate Owner before implementing them. Section 12 below contains further detail on some of this.

6. Relationship with other bodies

Customers

Cefas' relationship with customers in Defra is outlined above.

Cefas delivers evidence-based scientific advice, manages related data and information, conducts world-class scientific research, and facilitates collaborative action for a broad spectrum of customers in the UK and internationally. This includes:

- other UK Government departments and regulatory bodies, including the devolved administrations, other executive agencies and NDPBs
- the European Commission, World Bank and the United Nations
- non-governmental and environmental organisations
- industry, both in the UK and internationally.

These services are delivered alone or in partnership with others, as determined by the most effective way of meeting customer needs.

Co-ordination and collaboration with other Government Bodies

Cefas works collaboratively with other Defra agencies under similar governance to its own including the Veterinary Laboratories Agency (VLA) and Central Science Laboratory (CSL).

Cefas works with a number of organisations across Government. In particular, Cefas co-ordinates its activities with those of Fisheries Research Services (FRS), an agency of the Scottish Government, the Agri-Food and Biosciences Institute (AFBI) of Northern Ireland and other similar public bodies.

Cefas works more broadly across Government scientific laboratories within the context of the InterLab Forum - a collaborative agreement between six Public Sector Research Establishments (PSREs) from across Government to promote knowledge sharing.

Commercial activity

Cefas has an increasing focus on exploiting its scientific capabilities and facilities in wider (non-Defra) markets.

Cefas will meet customer needs in the most effective way. It will not be determined by administrative boundaries, i.e will not be bound by being in the Defra Network. To this end, Cefas may enter into licensing arrangements or joint ventures with other organisations in the public or private sector and may set up and run appropriately incorporated state-owned companies.

In 2007, Cefas had three licensing agreements with private sector partners and owned Cefas Technology Limited, a private limited company.

Section 12 below contains further detail on the conditions of service provision.

Other contacts

In the course of its work for Government, Cefas engages with industry and representative organisations and other bodies around the world. Cefas will manage these contacts in a manner appropriate to its position as an executive agency of Defra.



Phytoplankton

7. Relationship with Parliament

The Secretary of State is accountable to Parliament on all matters concerning Cefas.

The Chief Executive will provide the Secretary of State or Minister with any information needed to deal with Parliamentary Questions or other Parliamentary business about matters for which Cefas is responsible. If Members of Parliament wish to raise a matter bearing on Cefas' operations, they will be encouraged to write to the Chief Executive. The Chief Executive will refer to the Minister any matter which is raised with Cefas but which is not wholly concerned with the management of its affairs. The Minister will usually ask the Chief Executive to write to MPs in response to written Parliamentary Questions and letters about matters assigned to Cefas. The Chief Executive's letter in reply to Parliamentary Questions will be published in the Official Report.

In respect of matters carried out by the Agency on behalf of the Devolved Administrations, the relevant Minister shall remain accountable to his or her respective Parliament or Assembly. The Chief Executive will provide the relevant Minister with any information needed to deal with Parliamentary/ Assembly Questions or other Parliamentary/ Assembly business about matters for which the Agency is responsible. If members of the Parliament or Assembly wish to raise a matter bearing on the Agency's operations, they will be encouraged to write to the Chief Executive. The Minister will usually ask the Chief Executive to write to Parliamentary or Assembly Members in response to letters about matters assigned to him or her. The Chief Executive will refer to the relevant Minister any matter which is raised with the Agency, but which is not wholly concerned with the management of its affairs.

8. Public comments and complaints

Comments and complaints

Cefas handles comments, suggestions and complaints in accordance with a clear procedure, publicly accessible in the Cefas Charter, published under the Government's Charter Mark Scheme.

Parliament

Members of Parliament have the right to refer complaints from the public to the Parliamentary Commissioner of Administration ("the Ombudsman") where an individual claims to have suffered injustice through maladministration.

The activities of Cefas are subject to review by the Ombudsman. The Permanent Secretary, as the Principal Accounting Officer, asks the Chief Executive to reply to the Ombudsman about complaints of maladministration in Cefas.

9. Financial regime

Financial regime

Cefas operates as an agency under the Net Control Accounting Regime.

As noted in the June 2006 Ministers statement on the future of Cefas, and described in Section 4, once implementation of the Cefas transformation plan is sufficiently underway Defra will consider whether there would be benefit in another model of fully public ownership. The Chief Executive, in consultation and agreement with the Corporate Owner, will lead and advise on the merits of alternative control frameworks.

As an on-vote agency, Cefas is included within the Annual Report and Consolidated Accounts that Defra prepares for all entities within its boundary.

Financial objective

Cefas is required to recover the full costs of its services. This includes the cost of internal programmes to maintain Cefas' scientific vitality and investment to maintain appropriate infrastructure and to deliver the transformation plan.

Financial provision

Cefas will have its expenditure financed by Parliamentary Supply Vote. The Chief Executive will submit a business plan to the Corporate Owner, and ultimately the Defra Management Board, that includes annual bids for resources set against estimated income for the next financial year and the subsequent period covered by the relevant public Spending Review. The estimated income will reflect already committed funding agreed by Defra as set out in the 10 year High Level Agreement, potential additional funding from Defra and income from other commercial activities.

Cefas is consulted in principle on its annual allocation but is not involved directly in the spending review discussions with Treasury. Defra will take the advice of Cefas in any Spending Review discussions with HM Treasury mainly or wholly concerning Cefas. At the conclusion of the Spending Review Defra will inform Cefas of allocations agreed for the Spending Review period.

Defra will aim to agree, ahead of the year in question, a rolling three-year budget, fixed for at least the first year and with indicative amounts for subsequent years, subject to the limitations of Treasury Spending Reviews.

Accounting Officers

The Permanent Secretary of Defra (as Principal Accounting Officer) is the principal adviser to the Secretary of State on matters affecting Defra as a whole, including expenditure allocation and finance and is responsible for ensuring a high standard of financial management.

The Chief Executive is responsible for assuring the Principal Accounting Officer that Cefas has adequate financial systems and procedures in place to promote the efficient and economical conduct of its business and to safeguard financial propriety and regularity. The Principal Accounting Officer designates the Chief Executive as Agency Accounting Officer by letter. To support the Chief Executive, a Cefas Finance & Corporate Services Director has been appointed to carry prime responsibility for strategic financial planning, and the day-to-day management of the Agency's finances, accounting and budgetary systems.

As provided for in the Accounting Officer Memorandum, the Chief Executive, as Agency Accounting Officer, will be responsible for ensuring that the requirements of Government accounting are met and that proper procedures are followed for securing the regularity and propriety of the public funds administered by Cefas. The Chief Executive is responsible for the timely production of data required by Defra for in year monitoring of its accounts. The Chief Executive is responsible for ensuring that Cefas observes any general guidance issued by HM Treasury or the Cabinet Office, and for putting into effect any recommendations of the Public Accounts Committee (PAC), other Parliamentary Select Committees or other Parliamentary authority insofar as they are accepted by Government.

Financial delegations

The Cefas Chief Executive has delegated authority as recorded in the Defra Delegated Authority document, summarised as follows:

- primarily responsible for securing financial authority, for preparing budgets and exercising budgetary control, and for general financial matters
- ensuring that authorised, sub-delegated authorities are properly used
- ensuring that, within the delegated authorities system, important or unusual cases will be detected and referred to Cefas senior management or the Chief Executive, as appropriate, for authorisation.

At all times the delegations are subject to the general requirements set out in the Defra Finance Manual and other departmental guidance. In addition, Cefas will consult the Defra Corporate Customer and ultimately the Defra Corporate Owner, before making financial commitments not covered by these requirements.

Insurance

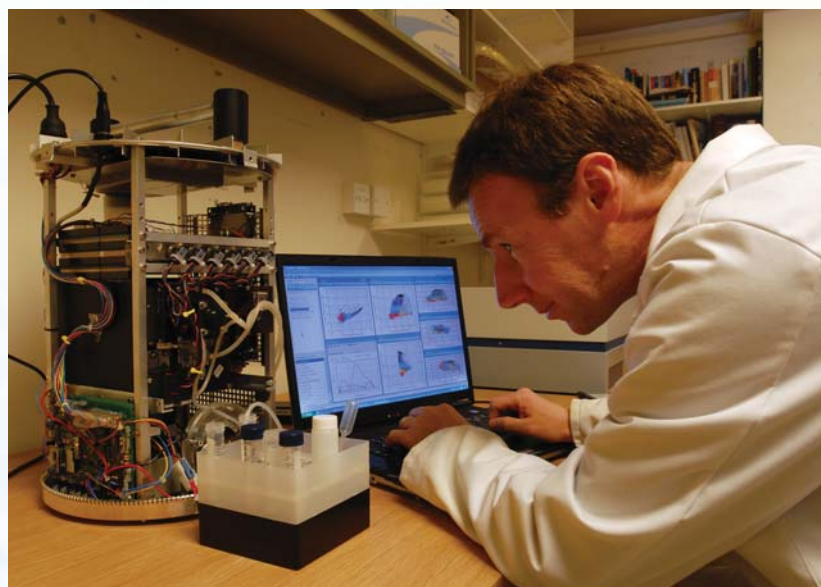
Agency insurance arrangements will be in accordance with the provision of 'Managing Public Money'. All uninsured losses and third party claims against the Agency and requiring settlement will be paid directly from additional resources and cash allocated to the Agency by the Department. These allocations will be equal to the claims and losses to be settled where the total value of the claims exceeds £9,999 per claim or loss.

Arrangements for meeting other liabilities or the payment of other claims will be separately agreed with the Department

Compliance with instructions and guidance

Cefas shall comply with Government guidance and instructions, including the following:

- Managing Public Money, including in particular the Accounting Officer requirements for Agencies (Chapter 3)
- Government Internal Audit Standards, issued by the Treasury
- Managing the Risk of Fraud, issued by the Treasury
- Government Financial Reporting Manual (FRM)
- the Fees and Charges Guide, issued by the Treasury
- Departmental Banking: A Manual for Government Departments, issued by the Treasury
- relevant "Dear Accounting Officer" (DAO) letters, issued by the Treasury
- Regularity and Propriety, issued by the Treasury
- the Consolidation Officer memorandum, issued by the Treasury
- relevant "Dear Consolidation Officer" (DCO) letters, issued by the Treasury
- Treasury Green Book
- Resource Accounting & Budgeting Implementation Group (RABIG) letters
- Consolidated Budgeting Guidance from 2008-09 issued by the Treasury and updated annually
- Executive Agencies – A Guide for Departments issued by the Cabinet Office.



Multiparametric analysis of physical and chemical characteristics of single cell with flow cytometry technique

10. Machinery for accounting, audit, monitoring and reporting

Annual Report and Accounts

The Chief Executive will prepare and sign each year an Annual Report and audited Accounts and will submit them to the Minister for presentation to Parliament before the start of the summer recess. The Annual Report will publish details of Cefas' performance against its Ministerial targets and will include a Statement of Internal Control.

The Accounts will be produced under an Accounts Direction issued by HM Treasury under Section 7(2) of the Government Resources and Accounts Act 2000.

The annual accounts will be produced, so far as practicable, in accordance with Defra's accounting policies.

The Chief Executive will submit an audited consolidated return in the format supplied by Defra and to the timetable agreed.

External audit

Cefas will be subject to external audit. This will be conducted by the National Audit Office (NAO) in respect of finance and value for money audits required by Parliament, and by other bodies appropriate to the audit of technical ability, service delivery, quality and standards.

Internal audit and management inspection

The Chief Executive will be responsible for commissioning the internal audit and management inspection services required to ensure the proper and efficient conduct of Cefas' affairs and to discharge his or her responsibilities as Agency Accounting Officer. These services will comply with the objectives, standards and practices laid down by HM Treasury. The Principal Accounting Officer has the right to receive copies of all internal audit and management inspection reports.

The Chief Executive will also be required to contribute to the Defra annual Statement of Internal Control.

Cefas will continue to be subject to such financial and management scrutiny by Defra as is necessary in order to satisfy the Principal Accounting Officer's responsibilities. This scrutiny will include assessments of the quality of Cefas internal audit in meeting standards laid down in the Government Internal Audit Standards. The Chief Executive will be consulted before Departmental audit or management scrutiny inspections are undertaken.

The Chief Executive Officer must have a robust framework for consistent financial reporting of the Agency's performance to Defra. He or she is required to provide Defra with regular and consistent performance information throughout the year using the performance targets and outcomes set out in the business plan.

Risk management and committees

The Cefas Management Board will meet bi-monthly to consider the plans and strategic direction of the Agency. The Management board reviews the Cefas Risk Register twice annually and corporate risks are delegated to appropriate senior managers within the business to manage.

The Audit and Risk Committee is a formally constituted committee of the Management Board. The committee is chaired by a non executive member of the Cefas Management Board, and has an entirely non executive membership. Relevant members of the executive management team, including the Chief Executive, attend meetings as required. The purpose of the Audit and Risk Committee is to give advice to the Chief Executive on the adequacy of internal and external audit arrangements, and on the implications of the assurances provided in respect of internal control and risk management within Cefas.

Cefas receives regular internal audit reports, to Government Audit Standards, which includes the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Agency's system of internal control, together with recommendations for improvement. The Chief Executive decides on how to source provision of the internal audit service – currently the service is outsourced to a competent auditing company. The work of internal audit is informed by an analysis of the risks to which Cefas is exposed and annual audit plans are based on this analysis. Findings from audit are presented to, and discussed by, the Audit and Risk Committee.

The Audit and Risk Committee advises the Chief Executive on the implications of any findings from audit, risk assessment or other relevant review activities. This advice takes account of plans for continuous improvement within Cefas.

In year monitoring

Cefas will be required to provide Defra with a monthly template, in a format supplied by Defra, summarising performance to date and forecast outturn figures. This template to be received by the sixth working day of each month.

Cefas will also be required to provide the Defra Corporate Owner with a copy of their Management Board reports.

Monitoring science quality

The Chief Executive is responsible for ensuring that science delivered by Cefas is of high quality and relevant. To deliver this aspect of the role, the Chief Executive will be advised by a Cefas Science Advisory Committee that is chaired by a non-executive member of the Cefas Management Board and is primarily comprised of external members.

The Chief Executive shall support an ethos of continuous improvement and, where relevant, accreditation or certification against internationally recognised quality systems. This includes ensuring that Cefas' science policies take account of the principles specified in the Joint Codes of Practice and that science is conducted in a manner consistent with the Universal Ethical Code for Scientists.

The Chief Executive and Defra Science Directorate will work together to agree and implement cost effective mechanisms that allow the Defra Chief Scientific Advisor to assess and challenge the relevance and quality of Cefas' scientific activities.



Washing core samples at sea

11. Business and corporate planning framework

Key performance Dialogues and Documents

A. Overall approach

In line with the conclusions of Defra's Capability Review and governance of delivery review in 2006/07, the Defra Management Board will review delivery performance across the Defra Network, while the Corporate Owner will review performance of Cefas with the Chief Executive at least annually using a process involving an appropriate combination of:

- review of past performance
- agreement of annual targets (with auditable measures) and performance review process and schedule
- sign off of the corporate or business plan before submission to the Minister for approval
- agreement of the framework for any further engagement with Defra Management Board / Ministers as appropriate during the year, taking account of the constitutional status of Cefas.

Corporate Plan and Business Plan

The Chief Executive will submit, for ultimate consideration and approval by the Minister, a Corporate Plan and a Business Plan at agreed intervals.

The Corporate Plan will be rolled forward and updated on the basis of Spending Review allocations and will form the basis for Cefas' detailed planning. It provides a framework for monitoring progress against longer term objectives and targets.

The Business Plan sets out Cefas' annual work plans, including plans to meet the key performance targets. The Business Plan will be a key document against which the Agency's and the Chief Executive's performance will be assessed.

High level agreement for the provision of services

This Agreement records the high level arrangements made between Defra and Cefas for the provision of services to the Defra Corporate Customer following the decision made by Defra Ministers and the Management Board in 2006 to provide a long term funding commitment to Cefas. It includes a committed 10 year funding profile for Cefas from Defra and was signed in April 2007.

Timetable

Cefas will submit a Corporate Plan and Business Plan in accordance with the timescale reasonably required by Defra.

Performance measurement targets

Annual key performance targets will be set by the Minister, reflected in the business plan and published.

Management information systems

The Chief Executive will be responsible for the development and operation of accounting and management information systems that enable Cefas management to assess the actual performance against the key performance targets. These systems must be capable of producing information on the performance of Cefas in the form and to the timescale reasonably required to meet the needs of the Minister.

B. Service Provision

Provision of services to departmental customers

Defra, and other Government departments, as customers of Cefas, are responsible for commissioning and paying for the services required from Cefas and for ensuring that these provide proper value for money and to the highest quality.

Detailed arrangements for the delivery by Cefas of its services will be negotiated between Cefas and its individual customers and set out in Contracts, Demand Notes, Memoranda of Understanding or R&D Forms. For work funded under the terms of the High Level Agreement, the detail of work required will be set out as agreed by that agreement or as otherwise agreed between the Defra Corporate Customer and Cefas. Memoranda will include, as appropriate, agreed performance measures and targets and Cefas will provide all customers with the information to enable them to evaluate compliance with these standards.

The arrangements for the delivery of services to core Defra that are covered by the High Level Agreement will be negotiated by the Defra Corporate Customer and Cefas. The Agreement covers the setting of agreed quality and performance monitoring by Cefas.

The customer will treat this information in confidence and will not release it without the agreement of Cefas.

Provision of services to wider markets

Within the context of its overall aims and objectives, including the continuing importance of a strong strategic partnership with its Defra customers, Cefas will give appropriate priority to work funded by Defra. The detailed balance of programmes and customers, public and private, shall be a matter for the Chief Executive.

As part of its agreed strategic objectives, Cefas needs to grow its proportion of services delivered to other public and private sector customers to achieve its financial performance targets. It may sub-contract commercial work in accordance with HM Treasury guidelines on selling services to the wider market.

In accepting work in the wider markets, the Chief Executive must satisfy himself or herself that:

- it will not prevent Cefas meeting agreed commitments to Defra
- it will not conflict with the statutory obligations of Defra or its Ministers or fetter the Ministers' discretion or otherwise conflict with any other statutory or regulatory role that Cefas undertakes
- neither the work itself nor the way in which it is published or exploited will represent an abuse of any monopoly position
- the price agreed for the work is consistent with the overall objective of recovering the full cost of Cefas operations
- the customer and the work are appropriate to an institution owned by Government and that there will be no prejudice to wider national interests.

Confidentiality

Defra recognises that Cefas is entitled to respect normal professional standards of commercial confidentiality in relation to any work which it undertakes for customers subject to it not giving rise to any conflict of interest.

Cefas staff operate within the guidelines of the Civil Service code. This includes, for example, a responsibility to uphold the administration of justice; they would, therefore, disclose any illegal activity discovered through the course of Cefas' work and would cooperate with relevant authorities during any subsequent investigation or legal proceedings.

C. Provision of support services

The Chief Executive is responsible for ensuring that support services, including estate, research vessels and equipment and other infrastructure required by Cefas are provided within the resources available and the constraints of central Government requirements. Individual services may be provided in-house, commissioned from Defra on a chargeable basis, or contracted out, whichever offers the best value for money.

Where such services are provided by Defra, either party may from time to time review the provision of these services and discuss with the other any proposed changes.

The Chief Executive may deal directly with the media subject to any arrangements agreed with Cefas' customers in relation to particular work. Cefas will refer enquiries concerning policy issues to the appropriate part of Defra. Where Ministers are involved, the Cefas Chief Executive will determine the approach to media work with Defra Communications Directorate.

12. Recruitment, pay and other personnel management

Staff status

Staff in Cefas are civil servants and, except the Senior Civil Servants, are regarded in law as being employed by Cefas. They are employed subject to the Civil Service Management Code and are eligible to move between Cefas and Defra, other Agencies in Defra, or other Government Departments. Members of the Senior Civil Service are directly employed by Defra and will have the status, pay arrangements and other conditions of service which are common to the Senior Civil Service except where contracts state otherwise. Issues affecting posts within the Senior Civil Service will be decided by the Chief Executive in consultation with Defra and/or the Cabinet Office as required.

HR responsibilities of the Chief Executive

The Chief Executive has responsibility for human resource issues in Cefas. The Chief Executive will act in accordance with Defra's agreements and arrangements in the absence of separate Cefas agreements and arrangements. The Chief Executive will ensure that appropriate mechanisms are in place to facilitate the effective management and development of staff. The Chief Executive will also have responsibility for managing change which affects staff numbers in the organisation.

The Chief Executive will consult Defra on matters where responsibilities are not fully delegated, and Defra will then obtain any necessary clearances from HM Treasury and/or the Cabinet Office as required.

HR consultation between Cefas and Defra

There will be appropriate consultation between Cefas and Defra on human resource matters of mutual interest.

Pay and grading

The Chief Executive has delegated responsibility for pay and grading arrangements for staff below Senior Civil Service levels. The Chief Executive will put in place structures which best meet the business needs of Cefas and reward staff fairly for their contribution, subject to the terms of his delegated responsibility.

Recruitment and promotion

The Chief Executive is responsible for establishing and keeping under review the management structure of Cefas. The Chief Executive has the freedom to create and re-grade posts and to make appointments (including temporary, substantive or personal promotions) to such posts.

In the Senior Civil Service, all appointments (including temporary, substantive and personal promotions) and transfers to and from posts within Cefas will be carried out observing the requirements and processes imposed by the Civil Service Commissioners and in consultation with Defra and/or the Cabinet Office as required.

Agency staff are eligible for selection boards in Defra and vice versa.

Career development

Cefas will normally be offered the option of participating in career development schemes in which Defra has the lead. Such schemes may be funded jointly or by other agreement. Defra departmental arrangements for career development and planning will apply to all Cefas staff within the Senior Civil Service.

Grievances and appeals to the Permanent Secretary

The Chief Executive is responsible for ensuring that all cases involving personal grievances are properly and reasonably considered in line with Cefas staff procedures.

For grievances made by managers in the Senior Civil Service, or for other senior managers where the Chief Executive has been directly involved procedurally at an earlier stage, Cefas staff have the right of appeal to the Permanent Secretary of Defra where such appeals are allowed under the Civil Service Management Code.

Exit policies

The Chief Executive has delegated authority for early retirement or redundancy of staff including the overall numbers and grades of staff concerned. Such action will be planned in consultation with Defra. The Chief Executive will approve individual cases for members of the Senior Civil Service in consultation with Defra and the Cabinet Office.

Personnel records and information

The Chief Executive is responsible for maintaining accurate personnel records for Agency staff within his or her delegated authority and will make available to Defra such information about staff and complementing as it reasonably requires.

Staff relations

The Chief Executive is responsible for maintaining good staff relations within Cefas. In exercising this responsibility, the Chief Executive will set up suitable arrangements in consultation with representatives of the staff.

The Chief Executive will co-operate with management in Defra and may participate in Departmental consultations with representatives of the staff on matters of mutual interest.

Equal opportunities and valuing diversity

The Chief Executive will ensure that Cefas develops a programme of action on equal opportunities and valuing diversity which is consistent with central guidance and Defra's own programme of action.

Health and safety

The Chief Executive is accountable for all matters of health and safety associated with Cefas' business activities and will ensure that resources, structure, and arrangements are adequate for delivering effective performance.

This includes ensuring that Cefas' health and safety policy takes account of the principles specified in Defra's equivalent document.



Distillation experiment

13. Recruitment and remuneration for the Chief Executive

The Cefas Chief Executive is appointed for a fixed term, determined when the appointment is made, following open competition. The appointment is to be cleared with the Office of the Civil Service Commissioners where this is a new Senior Civil Service appointment. There is an element of performance related pay built into the employment contract. In common with other civil servants, the Chief Executive's appointment can be terminated on grounds of poor performance (e.g. failure of Cefas to achieve its objectives and key targets).

14. Appearance at PAC or Select Committees

The Chief Executive and Permanent Secretary may be required to appear before the PAC. At Select Committee hearings, Ministers will normally ask the Chief Executive to represent or accompany them if the Committee is concerned with the day-to-day operations of Cefas.

15. Arrangements for risk management

The Chief Executive has a responsibility to develop a comprehensive risk management plan for Cefas. The plan is to be made available to Defra.

16. Arrangements for changing the Framework Document

The Framework Document and its operation will be reviewed by Defra, in consultation with Cefas, at intervals of not more than three years. The review should include an assessment of Cefas' track record in achieving its objectives. Proposals for further freedoms will be considered in the light of evolving policy and operational factors and the track record of Cefas itself. The guiding principle will be that the extent of flexibility and freedom given to Cefas should reflect the effectiveness of its delivery, the level of risk, its overall capability, the quality of its internal controls and its operational needs.

Defra or Cefas may propose changes to this Framework Document at any time.

Defra will be responsible for consulting all those concerned with proposals for amendments, including the Cabinet Office and Treasury.

The Framework Document will be published on the Cefas website (www.cefas.co.uk) and may be obtained in printed form from The Chief Executive's Office, Cefas Lowestoft Laboratory, Pakefield Road, Lowestoft, NR33 OHT.



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