

LOCAL BETTER REGULATION OFFICE (LBRO)

FINANCIAL MEMORANDUM

Signed Chief Executive, Better Regulation Executive



Date: 17 April 2008

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INTRODUCTION

1. This Financial Memorandum, which forms part of the Management Statement for the Local Better Regulation Office (LBRO), sets out the financial framework within which LBRO is required to operate.
2. The terms and conditions set out in this combined Management Statement and Financial Memorandum may be supplemented from time to time by guidelines or directions issued by the Secretary of State in respect of the exercise of any individual function, power, and duty of LBRO.
3. LBRO shall satisfy the conditions and requirements set out in this document, together with such other conditions as the Secretary of State may from time to time impose.

INCOME AND EXPENDITURE – GENERAL

Departmental Expenditure Limit (DEL): Annual Managed Expenditure (AME)

4. LBRO's current and capital expenditure form part of BERR's resource DEL and capital DEL respectively.

Expenditure Not Proposed in the Budget

5. LBRO shall not, without prior written Departmental approval, enter into any undertaking to incur any expenditure which falls outside the LBRO's financial delegations (Annex 1) or which is not provided for in the LBRO's annual budget as set out in its Annual Plan and as approved by the Department.

Procurement

6. LBRO's procurement policies shall comply with guidance from the Office of Government Commerce (OGC) and in particular the requirement to undertake regular 'Gateway' reviews. LBRO shall also ensure that both it and its contractors comply with any relevant EU or other international procurement rules.
7. Periodically and wherever practicable, the LBRO's procurement policies shall be benchmarked against best practice elsewhere and will also include contracting out where this would achieve better value for money.
8. The LBRO shall also ensure that effective systems for contract management are maintained in respect of all contracts.

Competition

9. The LBRO's policy will be to place contracts via free and open competition unless there are compelling reasons not to do so. Contracts shall be placed with suppliers who provide best value for money overall.

Value for Money

10. Procurement by LBRO of works, goods and services shall be based on value for money. Where appropriate, a full option appraisal shall be carried out before procurement decisions are taken.

Timeliness in Paying Bills

11. LBRO shall collect receipts and pay all matured and properly authorised invoices in accordance with the terms of contracts or within 30 days, as provided for in Annex 16.2 of Government Accounting. LBRO shall comply with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890), and with the Late Payment of Commercial Debts (Interest) Act 1998 as amended.

Novel, Contentious or Repercussive Proposals

12. LBRO shall obtain the approval of the Department before:
 - incurring any expenditure for any purpose which is or might be considered novel, contentious, or repercussive, or which has or could have significant future cost implications, including on staff benefits; or
 - making any significant change in the scale of operation or funding of any initiative or particular scheme or project or proposal previously approved by the Department; or
 - making any change of policy or practice which has wider financial implications which might significantly affect the future level of resources required.

Details of the type of proposal which might be classed as novel, contentious, or repercussive are at Annex 2.

Risk Management

13. LBRO shall ensure that the risks which it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and shall develop a risk management strategy, in accordance with the Treasury guidance 'Management of Risk: A Strategic Overview'.
14. LBRO shall adopt and implement policies and practices to safeguard itself against fraud and theft, in line with Treasury's guide 'Managing the Risk of Fraud'.
15. LBRO shall take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract.

Fees and Charges

16. Fees or charges for any services supplied by LBRO shall be determined in accordance with the Treasury's 'Fees and Charges Guide'.

Grant in Aid

17. The terms on which grant in aid is provided by the Secretary of State to the LBRO are set out in the Management Agreement.
18. Payments of grant in aid by BERR to the LBRO will be made promptly on the submission of a claim from LBRO. The claim shall be accompanied by a verification document which reconciles the resource budget to the cash requirement and made on or about the third week of the last month of each quarter, showing evidence of need. Claims shall be submitted in such a manner that the BERR does not incur any penalty from Treasury. The claim shall certify that the conditions applying to the use of the LBRO's funding have been observed to date and that further funding is now required for purposes appropriate to LBRO's functions.
19. LBRO should have regard to the guidance in Government Accounting (Chapter 9) that it should seek funds according to need.
20. Cash balances accumulated by the LBRO during the course of the year from Exchequer funds or non-Exchequer sources shall be kept at the minimum level consistent with the efficient operation of LBRO, and shall not in any event exceed £50,000.

End Year Flexibility (EYF)

21. As set out in PES (2000)25, the Department will aim to set firm multi-year plans and cascade end-year flexibility (EYF) on budgets where possible. In particular, the Department will aim to:
 - agree three-year budgets, fixed for at least the first year and with indicative amounts for subsequent years;
 - decide from time to time LBRO's likely entitlement to EYF against the overall Departmental position (having regard to any loss of EYF as a result of Departmental Expenditure Limit (DEL) Reserve claims made by the Department) and Ministerial priorities. A factor in deciding on EYF will be whether any underspend by LBRO represents slippage (as opposed to initial overprovision or abandonment of a project or programme).
22. These arrangements will remain under review and be adjusted in light of experience of the LBRO's operations.

Fines, Taxes, and Receipts from Sale of Goods or Services.

23. LBRO receipts from the sale of goods and services including for example through the rent of land, dividends, and intellectual property rights (IPR) will be treated as negative public expenditure (negative DEL) in national accounts and will, therefore, be offset against the Department's DEL (and so provide additional DEL spending power to the LBRO).

Interest Earned

24. Any interest earned by LBRO on its assets will be treated as a cost of capital charge on such assets. This cost of capital charge and any interest on receipts derived from DEL financed assets are treated as resource DEL.

Unforecast Changes in In-Year Income

25. If the LBRO's negative DEL income (including commercial receipts) realised or expected to be realised in-year is:
- **less** than estimated, then, the LBRO shall, unless otherwise agreed with the BERR, ensure a corresponding reduction in its gross expenditure so that the authorised provision is not exceeded; or
 - **more** than estimated, then, the LBRO shall apply to the Department to retain the excess income for specified additional expenditure within the current financial year without an offsetting reduction in its net DEL cover or to its grant in aid.

Build up and draw down of deposits

26. LBRO shall comply with the rules that any DEL expenditure financed by drawing down deposits counts within DEL, and that the build up may represent a saving to DEL

Borrowing

27. The LBRO is not permitted to borrow other than with Secretary of State consent and in the form of an overdraft on its bank account not exceeding £50,000.

Reserves

28. No funding shall be paid into any reserve held by LBRO. Funds in any reserve may be a factor for consideration when funding is determined.

Expenditure on Staff

Staff Costs

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

Pay and Conditions of Service

30. The LBRO is responsible for the pay, terms and conditions of its staff, whether on permanent or temporary contract.
31. The staff of the LBRO, whether on permanent or temporary contract, shall be subject to levels of remuneration and terms and conditions of service (including superannuation) within the general pay structure approved by BERR.
32. LBRO shall submit their annual pay remit to the Department for approval.
33. LBRO shall operate a performance-related pay scheme which shall form part of the general pay structure approved by BERR.
34. Current terms and conditions for staff of LBRO are those set out in its Employee Handbook. LBRO shall provide the Department with a copy of the Handbook and subsequent amendments.
35. The travel expenses of Board members shall be tied to the rates allowed to senior staff of LBRO. Reasonable actual costs shall be reimbursed.
36. LBRO shall comply with the EU Directive on contract workers (Fixed Term Employees Regulations (Prevention of Less Favourable Treatment)).

Pensions, Redundancy/Compensation

37. The LBRO will provide access to the Civil Service Pension Scheme for its own staff. LBRO staff may opt out of the CSPS. However, the employer's contribution to any personal pension arrangement, including a stakeholder pension, shall normally be limited to the national insurance rebate level.
38. Any proposal by LBRO to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the approval of the Department. Proposals on severance payments must comply with DAO (GEN) 04/02.

Non-Staff Expenditure

Capital Expenditure

39. Subject to being above an agreed capitalisation threshold, all expenditure on the acquisition or creation of fixed assets shall be capitalised on an accruals basis. Expenditure to be capitalised shall include the acquisition, construction, preparation or replacement of buildings and other structures or their associated fixtures and fittings; and the acquisition or enhancement of equipment including information technology.
40. Proposals for capital expenditure will be discussed in advance with BERR. LBRO does not currently have a capital allocation. LBRO must therefore apply to BERR for a transfer from its programme budget where it wishes to carry out capital expenditure.

Lending, Guarantees, Indemnities; Contingent Liabilities; Letters of Comfort

41. LBRO shall not, without the Department's prior written consent, lend money, charge any asset or security, give any guarantee or indemnities or letters of comfort, or incur any other contingent liability (as defined in Chapter 26 of Government Accounting) whether or not in a legally binding form.

Grant or Loan Schemes

42. Unless covered by a specific delegated authority, all proposals to make a grant or loan to a third party, whether one-off or under a scheme, shall be subject to prior approval by the Department, together with the terms and conditions under which such grant or loan is made. If grants or loans are to be made under a continuing scheme, statutory authority is likely to be required.
43. The terms and conditions shall include a requirement on the recipient to maintain records in relation to the grant or loan and to ensure that these are readily available for inspection by the LBRO, and the BERR.

Gifts Made, Write-offs, Losses and Other Special Payments

44. Proposals for making special payments (including write-offs) outside the delegated limits set out in Annex 1 must have the prior approval of the Department.
45. Gifts by management to staff are subject to the requirements of DAO (GEN) 13/01 and the associated Cabinet Office guidance on non-pay rewards.

Leasing

46. Prior Departmental approval must be secured for all property and finance leases. LBRO must have capital DEL provision for finance leases and other transactions which are in substance borrowing (see paragraph 28 above).
47. Before entering into any lease (including an operating lease), the LBRO shall demonstrate that the lease offers better value for money than purchase.

Public/Private Partnerships

48. LBRO shall seek opportunities to enter into Public/Private Partnerships (PPP) only where this would be more affordable and offer better value for money than conventional procurement. Where cash flow projections indicate that the whole of life discounted cost would exceed £5,000,000 the LBRO must first consult BERR.
49. Any PPP partnership controlled by LBRO shall be treated as part of LBRO in accordance with UK GAAP definitions and consolidated with it subject to any particular treatment required by UK GAAP. Where the judgment over the level of control is a close one, the Department shall consult the Treasury (who might need to consult with the Office of National Statistics over national accounts treatment).

Subsidiary Companies and Joint Ventures

50. LBRO shall not establish subsidiary companies or joint ventures without the express approval of the Department. In judging such proposals, the Department will have regard to its own wider strategic aims, and objectives as set out in its Public Service Agreements (PSAs).

Financial Investments

51. The LBRO shall not aim to build up cash balances in excess of that which is required for operational purposes.

Unconventional Financing

52. Unless otherwise agreed with the Department, LBRO shall not enter into any unconventional financing arrangement.

Commercial Insurance

53. LBRO shall not take out any insurance without the prior approval of the Department, other than third party insurance required by the Road Traffic Acts and any other insurance which is a statutory obligation or which is permitted in paragraph 30.4.2 of *Government Accounting*
54. The LBRO will be expected to cover any third party losses from its own budget but in exceptional circumstances the Department may consider providing additional budget to cover the losses but each incidence will be considered entirely on its own merits

Management and Disposal of Fixed Assets

Register of Assets

55. LBRO shall maintain an accurate and up-to-date register of its fixed assets.

Disposal of Assets

Disposal of Surplus Assets & Proceeds from Disposal of Assets

56. Assets will be sold for best price taking into account any costs of sale, and high value.

Recovery of Grant Financed Assets

57. Where LBRO has financed expenditure on capital assets by a third party, it shall make appropriate arrangements to ensure that any such assets are not disposed of by the third party without its prior consent.

58. LBRO shall, therefore, ensure that where appropriate such arrangements are sufficient to secure the repayment of the Exchequer's due share of the proceeds of the sale, in order that funds may be surrendered to the Department.

59. LBRO shall ensure that if the assets created by any grants made by the LBRO cease to be used by the recipient of the grant for the intended purpose, a proper proportion of the value of the asset shall be repaid to LBRO where appropriate for surrender to the BERR. The amounts recoverable under the procedures in paragraph 58 above shall be calculated by reference to the best possible value of the asset and in proportion to the Exchequer's original investment(s) in the asset.

Budgeting Procedures

Setting the Annual Budget

60. Each year, in the light of decisions by the Department on the LBRO's strategy and its Annual Plan for the year in question the BERR will send to LBRO:

- a statement of any planned change in policies affecting LBRO; and
- a formal statement of the annual budgetary provision allocated by the Department in the light of competing priorities across the Department and of any forecast income approved by the Department.

61. The LBRO's Annual Plan will include a budget of estimated payments and receipts together with a profile of expected expenditure, and draw downs of any DEL allocation and/or any other income over the year. These elements will form part of the approved Annual Plan for the year in question.

General Conditions for the LBRO to Spend

62. Once the LBRO's annual funding has been approved by the Department, the LBRO shall have authority to incur expenditure approved in the budget without further reference to the Department on the following conditions:
- LBRO shall comply with any terms of grant imposed by BERR
 - LBRO shall comply with the delegations set out in Annex 1 of this document. These delegations shall not be altered without the prior agreement of the Department. In exceptional circumstances it may be necessary for LBRO to enter into urgent commitments in order to discharge its responsibilities. In such circumstances the Department should be informed, and its approval sought, as soon as possible thereafter;
 - LBRO shall comply with the conditions set out in Annex 2 regarding novel, contentious or repercussive proposals.
63. The inclusion of any planned and approved expenditure in LBRO's budget shall not remove the need to seek formal Departmental approval where new proposed expenditure is either outside the delegations set out in Annex 1, or fits the definitions of novel, contentious or repercussive as set out in Annex 2, or is for schemes not previously agreed. In exceptional and urgent circumstances it may be necessary for LBRO to commit such expenditure in order to discharge its responsibilities. In such circumstances the Department should be informed, and its approval sought, as soon as possible thereafter.
64. LBRO shall provide the BERR with such information about its operations, performance, individual projects, or other expenditure as the BERR might reasonably require.

Provision of Monitoring Information

65. LBRO shall provide the Department with information (as a minimum) on a quarterly basis which will enable the satisfactory monitoring by BERR of the LBRO's:
- claim for grant in aid;
 - forecast outturn by resource headings;
 - other data as required for the Government Expenditure Monitoring Systems (GEMS).

Cash Management

66. The LBRO will operate a bank account with Paymaster General.

Banking

Banking Arrangements

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

Compliance with Instructions and Guidance

Relevant Documents

69. LBRO shall comply with:
- The legislation governing its establishment, governance and activities
 - all other relevant legislation.
70. In addition the LBRO shall acquire and comply with the following general guidance documents:
- the LBRO/BERR Management Statement and the Financial Memorandum;
 - Government Accounting and in particular the Accounting Officer Memorandum for NDPBs (ref: Annex 8.2) - HM Treasury;
 - "Dear Accounting Officer" (DAO) letters – HM Treasury;
 - the Consolidation Officer memorandums – HM Treasury;
 - relevant "Dear Consolidation Officer" (DCO) letters– HM Treasury;
 - other relevant guidance and instructions issued by HM Treasury in respect of Whole of Government Accounts;
 - Government Internal Audit Standards – HM Treasury;
 - Managing the Risk of Fraud – HM Treasury;
 - Executive NDPBs – Annual Reports and Accounts Guidance – HM Treasury;
 - Fees and Charges Guide – HM Treasury;

- Departmental Banking: A Manual for Government Departments– HM Treasury;
- Non-Departmental Public Bodies – a Guide for Departments - Cabinet Office;
- Regularity and Propriety– HM Treasury Booklet;
- other relevant instructions and guidance as issued from time to time by Government Departments;
- specific instructions and guidance issued by the BERR as sponsor Department; and,
- recommendations made by the Public Accounts Committee, or by other Parliamentary authority, which have been accepted by the Government and which are relevant to LBRO.

Review of Financial Memorandum

71. This Financial Memorandum will be reviewed at the end of its first year and subsequently at least every three years; or if there should be a review of the LBRO's functions or policy objectives.
72. The Treasury will be consulted on any significant variation proposed to this Financial Memorandum and the associated Management Statement.

ANNEX 1 - FINANCIAL DELEGATIONS

Introduction

LBRO and BERR recognise that for an effective working relationship the BERR needs to be aware in advance of any course of action which the LBRO proposes taking where, notwithstanding the delegated authorities set out in this Annex, there is likely to be an affect on the level of resources required by the LBRO.

The LBRO should seek the Department's prior agreement in respect of the following matters in particular:

- matters as set out in the ---- Act ----, or any Protocol, or Memorandum of Agreement/Understanding, or other document and which are reserved for the BERR;
- making any change to LBRO's agreed policies, strategy, or programmes which could significantly increase the overall level of resource agreed with the Department, or required in future years;
- entering into novel or contentious commitments that could result in exceeding agreed level of resources;
- entering into specific commitments and obligations outside of the delegations set out in this Annex;
- matters which formally commit a Minister or the Government to action;
- matters in which Ministers have declared an interest;
- matters which will involve Ministers or the Department in their presentation and/or on which Ministers are likely to be questioned in Parliament;
- proposals to be implemented through Public/Private Partnership or Private Finance Initiative (PPP/PFI);
- matters where action is being taken against the LBRO in the civil or criminal courts.

Description/Item	Financial Delegation
Projects within agreed programmes set out in the Annual Plan.	£250,000 - <u>but</u> subject to constraints in respect of novel, contentious, or repercussive projects; and in particular, BERR must be consulted on all projects between £125-250,000.
Capital commitments within agreed budgets.	BERR consent required; see sections 39-40 above.
Disposal of Assets	No constraint - proceeds may be retained where: <ul style="list-style-type: none">• the sale is as set out in Annual Plan's budget, and/or• total sales do not exceed 3% of annual funding.

	NB Proceeds over £10,000 must be surrendered to BERR who will seek approval for their being classed as appropriations in aid and reimbursed to the LBRO.
Finance and Estate Leases	Prior approval must be obtained for all acquisitions and disposals of property exceeding lower of 1,000 sqm or 25% of the LBRO's total estate. NB This applies to new properties and lease renewals and/or extensions and the exercising of break clauses.
Leasehold Improvements	BERR consent required; see sections 39-40 above.
IT/Telecoms	BERR consent required; see sections 39-40 above.
Other Capital Expenditure	BERR consent required; see sections 39-40 above.
Car Purchases	None - Leasing or contract hire only.
Gifts to LBRO	£50 – a written record must be kept of all gifts giving estimated value and stating whether they were for disposal or retention. Gifts will be treated as receipts. NB Gifts to staff or other special payments are subject to the terms of DAO (GEN) 13/01.
In respect of LBRO employees:	
Compensation for personal injury	£10,000 NB Legal advice should be taken in all but trivial cases. Any compensation under this heading may be taken into account by Treasury against any annual allowance or gratuity that may be payable under an Injury Warrant.
Employers' liability claim as a result of a court award, or where on legal advice it is apparent that a court would probably make such an award	£10,000 as per above.
Employers' liability in all other circumstances	£2,000

Ex-gratia payments not covered by insurance.	£10,000.
In respect of other than LBRO's own employees	
Ex-gratia payments including inter alia items such as: <ul style="list-style-type: none"> • extra contractual compensation payments; • extra statutory payments; • extra regulatory payments and other such payments. 	£10,000
Claims waived or abandoned	£10,000
Irrecoverable amounts under insolvency provisions.	Unlimited
Issue of Indemnity	£10,000.

DELEGATIONS IN RESPECT OF SPECIAL PAYMENTS AND LOSSES

DELEGATED AUTHORITY TO WRITE OFF LOSSES AND TO AUTHORISE SPECIAL PAYMENTS

Description/Item	Financial Delegation
Losses	
<p>Cash losses, physical losses of cash and equivalents (e.g. bank notes, stamps, etc) by any cause.</p>	<p style="text-align: center;">£10,000</p>
<p>Book-keeping losses:</p> <ul style="list-style-type: none"> • because of unvouched or incompletely vouched payments, including cases where vouchers are missing; • because of changes to Estimates or other accounts to clear inexplicable or erroneous debit balances. 	
<p>Exchange rate fluctuations.</p> <p>Losses due to fluctuations in exchange rates or revaluations of currencies.</p>	
<p>Losses of pay, allowances and superannuation benefits paid to staff in respect of the following:</p> <p>Overpayments due to:</p> <ul style="list-style-type: none"> • miscalculation, • misinterpretation of Acts, regulations or scheme rules, • the full facts not being known, • unauthorised issues, e.g. payments not admissible under any Act, Regulation, or Scheme rules. 	<p>See list of delegations in respect of LBRO employees below</p>

Description/Item	Financial Delegation
<p>Losses arising from other causes:</p> <ul style="list-style-type: none"> • non-disclosure of full facts by the beneficiary, short of proven fraud. 	
<p>Losses arising from overpayments of:</p> <ul style="list-style-type: none"> • grants, subsidies, etc. arising from miscalculation, misinterpretation of Acts, regulations or scheme rules, or the full facts not being known. 	<p>No delegation</p>
<p>Losses arising from failure to make adequate charges for:</p> <ul style="list-style-type: none"> • the use of public property or services. 	<p>£10,000</p>
<p>Losses of accountable stores:</p> <ul style="list-style-type: none"> • because of fraud, whether or not it has been possible to charge anyone with an offence, or proven or suspected theft, arson or sabotage, or any other deliberate act (including repairable damage caused maliciously to buildings, stores, etc. which is not the subject of an identifiable legal claim against some person); wherever possible recovery must be effected and prosecution mounted; • losses arising from other causes. 	<p>£10,000</p>
<p>Fruitless payments and constructive losses</p>	<p>Unlimited</p>
<p>Claims waived or abandoned</p>	<p>£10,000</p>

Description/Item	Financial Delegation
<p>Special payments (including inter alia items such as):</p> <ul style="list-style-type: none"> • extra-contractual and ex gratia payments to contractors; • other ex gratia payments; • compensation payments; • extra-statutory and extra-regulatory payments. 	<p>£100</p>
<p>SPECIAL PAYMENTS IN RESPECT OF LBRO EMPLOYEES</p>	
<p>Compensation for personal injury.</p>	<p>Unlimited where covered by LBRO's employers liability insurance.</p>
<p>Employers' liability claim:</p> <ul style="list-style-type: none"> • as a result of a court award, or where on legal advice it is apparent that a court would probably make such an award; • in all other circumstances 	<p>Unlimited where covered by LBRO's employers' liability insurance.</p>

Note: Government Accounting, Chapter 18, provides detailed guidance.

ANNEX 2 - NOVEL, CONTENTIOUS, or REPERCUSSIVE PROPOSALS

For the purposes of this document the term should be taken as meaning expenditure which is of a new kind or nature, or is likely to cause dispute or argument.

A proposal which is **novel or repercussive** could involve:

- a type of activity which the LBRO has not been involved in at all before i.e. it is wholly new and/or inconsistent with the LBRO's previous aims and objectives;
- an activity that has a significant impact on individuals, local communities, business and regulators and which has potential for significant media interest;
- a type of activity which the LBRO has been involved in previously, but where the proposal being put forward is a variant in some way e.g. the funding mechanism proposed may be significantly different to that which is normally employed, or the LBRO could pay costs that it would not normally expect to pay; or
- an activity involving an issue which is not adequately covered by Government Accounting or other relevant guidance and which is not covered by delegated powers.

And a proposal which is **contentious** could involve a degree of novelty, but the focus will be:

- whether it is a proposal/project which the LBRO ought legitimately to be doing and whether support of the proposal either by direct funding or in some other way could be justified from a regularity, propriety, and value for money standpoint;
- whether the mechanisms put in place to achieve the necessary outcomes are in conflict with existing rules/guidelines etc;
- where the expenditure is difficult to forecast or cap;
- where there is a high degree of financial risk, for whatever reason; or
- where there might be contention of a political or policy nature for the Government as a whole.