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ANNEX 7.1 ARM'S LENGTH BODIES: GUIDANCE

This annex identifies the principal sources of guidance that departments should follow when establishing new arm's length bodies. It may also be useful when reviewing, reorganising or abolishing such bodies.

A.7.1.1 The principal guidance documents (see Box A.7.1A) cover:

- background to the public sector classification system, and key characteristics of different types of body;
- considerations in deciding the most appropriate type of body to the task;
- legislative and organisational requirements for setting up a new body;
- appropriate governance and accountability issues to be addressed;
- making and managing public appointments;
- budgeting, accounting and financial reporting requirements;
- review arrangements;
- dissolution arrangements.

box A.7.1A sources of guidance

Classification of Public Bodies: Guidance for Departments – public sector classification system and purpose and key characteristics of different organisational categories

www.civilservice.gov.uk/other/agencies/publications/pdf/classification_guidance_aug05.pdf

Executive Agencies: A Guide for Departments – identification of candidates for EA status, preparation for and launch of EA, review, merger, transfer and dissolution of EAs, and advice on preparation of Framework Documents

www.civilservice.gov.uk/other/agencies/publications/pdf/exec_agencies_guidance_oct06.pdf

Setting Key targets for Executive Agencies: A Guide

<http://www.civilservice.gov.uk/other/agencies/publications/pdf/setting-targets.pdf>

Guide to the Establishment and Operation of Trading Funds

www.hm-treasury.gov.uk/media/2F7/DA/Guide_to_the_Establishment_and_Operation_of_Trading_Funds.pdf

Public Bodies: A Guide for Departments – consideration of options for delivery, setting up, governance and accountability of NDPBs and public corporations, their review and dissolution

www.civilservice.gov.uk/other/agencies/guidance_for_departments/pb_guidance/index.asp

Better Government Services in the 21st Century: The Alexander Report – the 2002 Agency Review, setting out key principles to guide departments in their relationships with their agencies

www.civilservice.gov.uk/other/agencies/publications/pdf/opsr-agencies.pdf

Making and Managing Public Appointments

www.publicappointments.gov.uk/publications/

Corporate Governance in Central Government Departments: Code of Good Practice includes references to NDPBs and Agencies

www.hm-treasury.gov.uk/media/5DF/7D/corpgovernancecode_280705.pdf

Financial Reporting Manual – includes guidance for NDPBs and Agencies, including form of Annual Reports

www.financial-reporting.gov.uk/2006-07%20FreM.pdf

Consolidated Budgeting Guidance – includes guidance in relation to NDPBs and public corporations

www.hm-treasury.gov.uk/documents/public_spending_and_services/consolidated_budgeting_guidance.cfm