MBUS Financial Management Arrangements

Issue

1. Devolving the Science and Technology (S&T) budget, and managing the associated risks and delivering the benefits.

Timing

2. If the Board agrees, budget delegation would start from April 2008.

Recommendation

3. That the Board agrees the proposals in the paper.

Background

4. The decision to consider devolving this budget flowed from the Making Best Use of Science workstream of HSE's Fundamental Review. The HSE Board agreed[1] that the MBUS Project Board should develop draft procedures for delegation of the S&T budget[2] and arrangements to manage the associated risks. These changes should be seen in the context of wider governance improvements, including ensuring that science planning is firmly integrated with corporate business planning.

Argument

5. The overall aim of devolving this budget is to maximise the effectiveness of S&T expenditure, by aligning more explicitly authority to commit expenditure with responsibility and accountability for delivering outcomes, achieving VFM and better predictability (ie outturn would be closer to forecast and profile). The objectives and desired benefits are to:
    - align authority to commit resource with accountability. This creates a greater incentive for managers to maximise the effectiveness of science spend;
    - bring greater freedom for those with delivery responsibility to decide on how to use S & T resources to help secure the desired outcomes;
    - enable the Chief Scientific Adviser (CSA) to provide a more effective challenge function. The CSA can take a more dispassionate, even-handed view of proposals - most of the S and T budget will be managed by others;
    - reduce the risk of S&T work being regarded as a 'free good'[3] at the point of commissioning - with the consequent risk of over-usage / over-elaborate specifications and self-tasking**;**
    - help over time to promote greater resource awareness.

    Realising these benefits requires behaviour change; delegation of the budget *in itself* will not achieve the desired benefits.

Proposed system

6. The Chief Executive will delegate S&T budgets as part of the annual budget delegation, on the basis of a costed Science Plan arising out of HSC/E's business plan and subject to scrutiny by the HSE Board Science sub-group. The Chief Scientist will advise the Chief Executive on the amounts and results that Main

[1] HSE Board meeting 6 March 2007.
[2] This covers Programme expenditure on S&T but excludes eg staff working on S&T in HSE.
[3] Under current arrangements, there is a risk that the resource may be perceived as 'free' in the sense that its cost does not appear as a charge against the budget of that person's Directorate.

Budget Holders would be accountable for achieving and this would need to be considered as one of the aspects in allocating HSE's overall resources to different objectives and functions. The delegations will have separate ring-fenced budgets for HSL and extra mural research. The Chief Scientist would have a budget to fund some (but not all) longer-term research projects.

7. In financial terms, much of HSE's Science budget is matched by an equivalent financial commitment to HSE staff and their facilities working in HSL, just as much of HSE's policy or operations budget is matched by the cost of staff working in these functions. These arrangements are however made more explicit in the HSE/HSL relationship with HSL needing to secure work from HSE on a job-by-job basis to cover its costs. If it does not, HSE corporately must meet any deficit. This imposes some significant constraints on S&T budget holders' financial flexibilities. For example, in the short-term HSE cannot easily reduce its spend with HSL. Equally, the extra-mural research has some long-term commitments e.g. the Labour Force Survey. To reflect these constraints, and ensure that budget management operates effectively, delegations will be qualified so that:
   - expenditure from the budgets will only be for research and technical support (i.e. resource cannot be vired to other Programme expenditure or be used e.g. for HSE's internal administration of S&T);
   - all research expenditure is tied to delivery of the Science Plan (i.e. proposed projects must have clear line of sight to the Plan);
   - there is clear monitoring of delivery and expenditure against forecast, with robustly constructed profiles; and where variances are identified, prompt corrective action is taken – these would be new responsibilities for budget holders;
   - budget holders are clearly responsible for putting in place arrangements to ensure that work is clearly specified and fit for purpose ie not overly-elaborate, including determining how the specification for each project is to be scrutinised and agreed;
   - for extra mural work, competition and a contract will be required which must be arranged through PFPD; costs should not be incurred where there is no formal contract;
   - the project is then delivery-managed, with a clear scheme of accountability both for what has been delivered and the value of its application to HSE's strategic business objectives.

8. Successful budget devolution will require:

   - a Science Plan[4], agreed by the Board, to operate from 1 April 2008. (The Board Science Sub-group[5] will propose the Plan).
   - Upside (new IT system) to be configured to support the new arrangements.

   With devolved budgets for science spend, primary responsibility for:

   - developing and operating fit for purpose assessment, approval and evaluation of proposed projects;

[4] The Science plan will initially cover commissioned and corporate science but not the S & T resource embedded within delivery functions.

[5] The Sub-group's proposed role includes advising the HSE Board on science strategy and plan, the acceptability of science plans emerging from individual HSE delivery functions, and funding options including indicative allocations to main programme blocks, and the intra / extra-mural balance.

- managing delivery to time and on price with those carrying out the work (HSL and call-off contractors and extra-mural providers); and
- budget management

will rest with the budget holders themselves within the existing guidance on best practice. However an outline of some of the necessary procedures is provided below.

Forensic support

9. Forensic support is, by its nature, predictable only at some level of aggregation. The Science Plan will therefore only be able to cover forensic support at a high level. However, this should not detract from the principle that commissioning this work should be subject to proper management oversight and formal 'approval'. If it is not feasible to subject a job to proportionate business case disciplines before work is commissioned – and it is recognised that there may be a need to be able to call in expert help quickly after an incident - the process should be applied as soon after the event as practicable. This will usually be a line management function and should involve the appropriate Science Coordinator (or Science business Partner) team.

10. Likely demand on HSL (including for forensic work) is being evaluated for the first time this year. The planned cost for this work could be monitored against expenditure through the year to check for significant deviation from planned spend by budget holders.

HSL work

11. Work is in hand (for the first time this year) to evaluate likely demand in "broad areas" on HSL (including for forensic work) to see where there is a mismatch between capacity and expected demand. The intention is, inter alia, to identify excess capacity to get best value from it while it is being run down (or being retained against future need).

12. This could provide a basis for checking total anticipated spend with HSL to see the likely shortfall (or overspend) expected. It would need regular review to check for the impacts of leads and lags in commissioning work and/or in delivery. This could be focused on the proposed 'Portfolio Management group', which will meet monthly. This group could report significant deviations from planned spend with HSL to the budget holders.

13. If underspends emerge, these will in the first instance revert to the centre to enable a corporate decision to be taken on how best to allocate the funds.

Managing delivery and expenditure

14. This should be addressed primarily by ensuring line of sight from the agreed science plan to individual projects. Proposers of the latter will need to show inter alia how the proposed project fits with the Science plan (as well as that the project is not over elaborate, has a feasible methodology etc. The focus for evaluating projects should rest with the Science Co-ordinators and their teams whose role should include advising budget holders on the proposed project's fit with the science plan, its deliverability and vfm.

15. Clear definition of roles, use of a business case approach in the development of proposals ensuring that the outputs and benefit to HSE and a formal requirement for approval will all be important parts of improving the system for procuring research.

16. Learning and development for both Science co-ordinator team members and for science customers will be an important on-going part of promoting the cultural changes needed to make the system work.

17. Further detail on the arrangements for managing expenditure is contained in **Appendix A**, which is an extract from the MBUS paper *"Planning, Governance and Management of HSE science – a concept for improvement"*. This paper presents an overall view of systems to improve planning, governance and management of HSE science.

Initial arrangements

18. For an initial period (eg the first year of devolution), there should be a system to provide the Chief Scientist with an over-ride facility. During this period, both the Chief Scientist and the budget holder's agreement to projects costing more than an agreed amount (eg £100K[6].] will be required. Exceptionally, if the Chief Scientist and budget holder are unable to resolve whether a given project should go ahead, the Board Science Sub-group should resolve the issue.

Audit review

19. The Head of Internal Audit is happy for IA to undertake a post-implementation review to ensure appropriate arrangements are in place and operating to mitigate the risks identified, and to ensure compliance with the agreed devolution process. She will add this work to the draft Audit Programme for 2008/09, which will go to the Audit Committee in March 2008.

Risks

20. The risks created (or exacerbated) by devolving the S&T budget are at **Appendix B**, with proposed methods for actively managing them.

Consultation

21. Members of the MBUS Project Board, which represents Operations, Policy, CoSAS and RPD; Chief Internal Auditor.

Presentation

22. The audience for this is primarily internal; the changes will be presented as an MBUS outcome, as part of improvements to governance.

Costs and Benefits

23. The benefits of this change are set out in para 5. The net *additional* cost of operating a devolved S&T budget would be about £30,000 in staff time. CoSAS' responsibilities will reduce so there will be some resource transfer implications that need to be settled.

Environmental implications

24. None

Next steps

25. If the Board agrees the proposal, a project will be needed to ensure that the necessary supporting mechanisms and controls are established. As part of the preparation and to help make a smooth transition, for an interim period putative budget holders might receive budget reports to help them to understand spending

[6] If this were the limit, under 10% of projects would be captured by volume, but representing 30-40% by value.

patterns and generally familiarise themselves with S&T budget issues. During this period of ‘parallel running’ budget management responsibility would remain unequivocally with the Chief Scientist but this would provide an opportunity for future budget holders and their units to observe the budget.

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Appendix A

7 Roles and Responsibilities

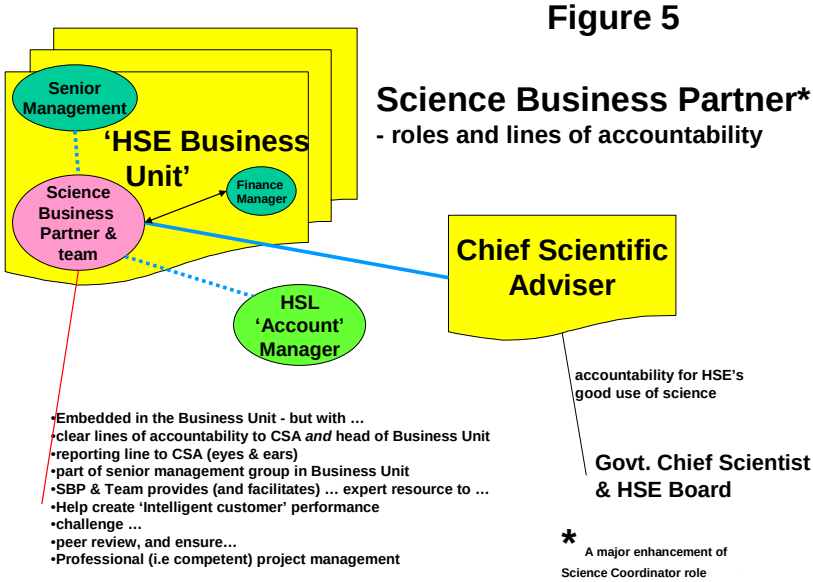
7.1 These are shown below, as agreed by the MBUS Project Board.

Chief Scientific Adviser (CSA)	HSE Board	HSE Board Science sub-group	Chief Executive - HSL	Director charged with management of specific area of HSE's business
…. is responsible for ensuring that the HSE Board is well advised on the science resource and capability requirements for delivery of the right evidence, innovation and technical support at the right time, in the right amount, of the right quality and in ways which are cost-effective, so as to help HSE achieve its business objectives. … is accountable to the Government Chief Scientific Adviser for the quality and appropriateness of HSE's science … is responsible for providing assurance that the resources actually provided are used to best effect for these purposes. … oversees a process which allocates indicative resources to the portfolio of projects in the science plan and provides challenge & assurance that projects deliver good science. … is responsible for overall management of the S&T budget (until other arrangements are made). … is accountable to the Chief Executive and the HSE Board. Provides a 'stewardship statement' to the Accounting Officer to support the Statement on Internal Control in relation to management of science budgets (until other arrangements are made). … actively promotes the use of scientific evidence in policymaking and delivery and ensures scientific evidence is 'sound' and objective. … represents the department externally. … responsible for ensuring close, effective working relationships between Science Business Partners and the heads of the analytical functions are achieved and maintained - also responsible for ensuring close, effective working relationships between Science Business Partners and the STG (inc HSL).	… is responsible for the allocation of gross budgets for science and for a corporate Business & Science Plan which establishes overall organisational priorities, objectives, targets and corporate performance management. … is accountable to the Commission and, through the Commission, to the Secretary of State for the achievement of the corporate Business Plan (which was approved by the SoS). … supports Directors' accountability for meeting targets and monitors resource at corporate level to ensure that it is aligned to changing needs. … champions benefits of S&T in supporting programmes & evidence-based policy and sets overall approach to acceptance of business risk.	… is accountable to the Board … makes recommendations to the Board through the Chief Scientific Adviser on the suitability of science plans, the size of the S&T budget and its distribution between different areas of HSE's business (e.g. for H&S outcomes, enabling justice etc). … monitors S&T resource/capability to ensure that it is aligned to changing needs, including identifying key facilities. … provides external input into development of medium to longer term direction for S&T and horizon scanning generally. … is responsible for ensuring that there are measures to ensure the quality of commissioned science. … considers risks and issues – escalates significant risks etc to the Board.	… is accountable to HSE's Chief Executive for the efficient and effective management of HSL and for achieving agreed aims, objectives and targets. … will become responsible for the management and delivery of HSE's corporate science on a wider basis than just HSL as head of Science and technology Group in HSE main … is responsible for day-to-day management of HSL within limit of delegated authority of the HSL Framework Document and Financial Memorandum. … has (conditional) freedoms to make changes to HSL's organisation … will maintain and advance HSL's competence, scientific capability and expert knowledge of science relevant to health and safety by carrying out research and staff training – to meet present needs of current customers and to develop future business – and pursue a strategy of continuous performance.	… is responsible for planning and management of HSE's work in a specific area of business and … … the associated development and implementation of relevant & agreed science plans (taking a 3 to 5 year forward view informed, *inter alia*, by horizon scanning). …is accountable to the Board, Chief Executive and (through them) to the Commission and Ministers for meeting agreed objectives, targets etc and ensuring that work is undertaken in accordance with HSE's management and administrative requirements and for achieving value for the public money deployed. … is responsible, *inter alia*, for seeking and using evidence as the basis of policy and decision-making … is responsible overall for approval of specific projects , with robust business cases, within agreed plans and in accordance with defined criteria and that milestones and forecasts are soundly identified and met …and … that projects deliver the benefit which was the original basis of the planned work. … ensures that service Level agreements are in place, where appropriate, to secure necessary resources … will become responsible for management of science budgets allocated for their business area and tied to delivery of agreed science plans – and personally accountable to through the budget delegation chain to the Chief Executive.

7.2 Each of the current science 'blocks' has a dedicated 'Science Coordinator'. Their role and influence varies somewhat across the 4 block areas and it seems essential that their influence can and should be enhanced. We have noted the introduction of 'HR Business Partners' in other areas where there needs to be sound support provided as part of senior management teams (but within a clear corporate framework of management, expertise and standards). The MBUS PB has agreed that we should develop the role of Science Coordinator as a **Science Business Partner** (who would, as now, manage others providing support and advice and acting as project officers). This would be a demanding role and the aim would be to ensure that expertise is firmly embedded within major areas of HSE's business (and being much more actively engaged as part of the senior management team) while having strong management links (and accountabilities) to the CSA - and a wider scientific community. **Figure 5** sets this out diagrammatically:

Figure 5

Science Business Partner*
- roles and lines of accountability



7.3 The balance of roles, functions and needs of the **Science Business Partner** will likely be different depending on the nature of the business area in question. For example, in the area of conventional H&S, the SBP will assist senior management in understanding the role science can play in policy formulation, in assessing the strength of the evidence base, in providing sound analysis on the basis of the evidence available and in defining the priority needs for new evidence and innovation.

7.4 In the major hazard area, the key focus might be to assist the senior team to review, challenge, integrate and prioritise the science needs identified by expert staff working in narrow areas of expertise.

7.5 There will thus need to be dialogue between the Chief Scientific Adviser and the Director(s) involved in order to agree the actual blend and balance of duties and responsibilities for each specific post – and secure agreement on the reconciling the lines of accountability to the business Directors and the CSA (who will be looking to achieve a strong relationship in which he can exert influence over all HSE's business areas where science is conducted and used; and receive intelligence about emerging needs and how science is used)..

7.6 Social researchers, statisticians and economists ("analysts") across government have particular roles and responsibilities for ensuring the appropriate use of evidence in the development of policy, including operational policy, and evaluation. The Science Business Partners will need to work closely with HSE analysts to ensure the latter can properly

exercise these roles and responsibilities. The Chief Scientific Adviser will be responsible for ensuring close, effective working relationships between Science Business Partners and the heads of the analytical functions are achieved and maintained.

7.7 **Project Officers** will remain part of the Science Business Partner's team and their role will remain essentially the same as now but new arrangements will put increased emphasis on the importance of the role and active management of projects. Project management, risk management and project review will be the responsibility of Project Officers who will not be the Science Customer or technical expert (to achieve proper separation of roles in dealing with contractors). In addition, we ought to extend the role to include facilitation (or encouragement) of evaluation and exploitation of results (which can only sensibly be done by the customer).

7.8 The Science Customer (SC sometimes referred to as the Technical Client) acts (in the interests of the 'prime' business customer) to pursue HSE's mission within the context of the area of HSE's business in which they work. In doing so, the SC identifies the need for information, evidence, or innovation that can be met by research. The SC, as the originator of research, should be able to utilise the outputs as intended. The SC is responsible for the successful delivery of the project output and the benefits but will, as now, be free to use technical experts from relevant disciplines to oversee technical aspects of the project on their behalf. The Science Customer is not expected, or required to be, an expert in the management of the research (the PO will be responsible for these aspects).

7.9 At present, CoSAS is responsible for the science budget and programme but oversight and various administrative support functions is divided between CoSAS and Procurement Unit (PU - who undertake a similar role on behalf of NSD as well as its main functions of purchasing and contracting). It has been agreed to move some administrative functions to CoSAS, including the administration of existing IT systems. PU will retain responsibility for contract letting, which includes OJEU, issue of tenders, supplier selection, negotiations, award, and disposal of capital assets.

7.10 It is taken as a given that the contract letting and tendering process (including contract amendments and asset disposal) are functions where PU employ their purchasing skills and expertise and that these functions should remain within PU, who are a central unit providing these types of services across HSE. These arrangements might change if changes to budget delegation arrangements are made but there is no intention to change current arrangements which restrict the actual letting of contracts (in HSE main) to PU, the Head of PEFD, Finance Director and Chief Executive.

8 Management at Project and individual job level

8.1 It is not enough to get science plans right. Each piece of work within the plan needs to be well specified, 'procured', and managed to ensure that it actually meets the need which gave rise to it. This requires care and insight in framing the 'researchable' questions; ensuring that the delivery methods are capable of answering those questions in fit-for-purpose, coherent and value-for-money ways; making sure that the work meets the specification and most importantly that projects are reviewed and the benefits from the work are realised. Science generates new knowledge which needs to be actively disseminated to those who can benefit from it and actually used in policy and operational decision-making.

8.2 The benefit from using business case disciplines as good practice in decision-making will need to be captured in new processes. However, new systems should be proportionate and relatively small, low-cost jobs should continue to be commissioned, in

relatively simple ways, to support HSE's day-to-day business. In the cases where formal 2nd or 3rd party approval may not be appropriate there will continue to be a need for line management oversight, monitoring and challenge (as has already been agreed by OMT for dealing with relatively small jobs arising from field and policy activities). The setting of threshold values for 'self-approval' may need further discussion.

8.3 We need to clarify new arrangements for both project initiation & management of commissioned science (research) and for managing the provision of 'technical support'. In the latter area, new arrangements (as mentioned in para 19) are being taken forward by John Conning. We will need to bring the outcomes of all these developments together not only as we move to implement the Upside contract management system, but also as we move to redraft our intranet instructions and arrange for a programme of briefing and training.

8.4 We need more rigour, definition and direction within the science commissioning and management process – whether work is being procured from HSL or extra-murally. And this is despite the progress already made through the introduction of PROMIS in 2006. The need is clear given the multitude of cases where significant resources (£ tens of thousands) have been deployed in working up specifications for work over a very long period of time (12 months +) and with no clear position on who is the approver and with no sense of working to an agreed process or timetable. In the case of HSL involvement, this effort is not directly chargeable and it is probable that sums greater than this have been expended on the part of HSE customers

8.5 We need to better define the stages and the roles and responsibilities of key players. It is proposed to introduce a 'stage and gate' process for science projects – see Figure 6 below.

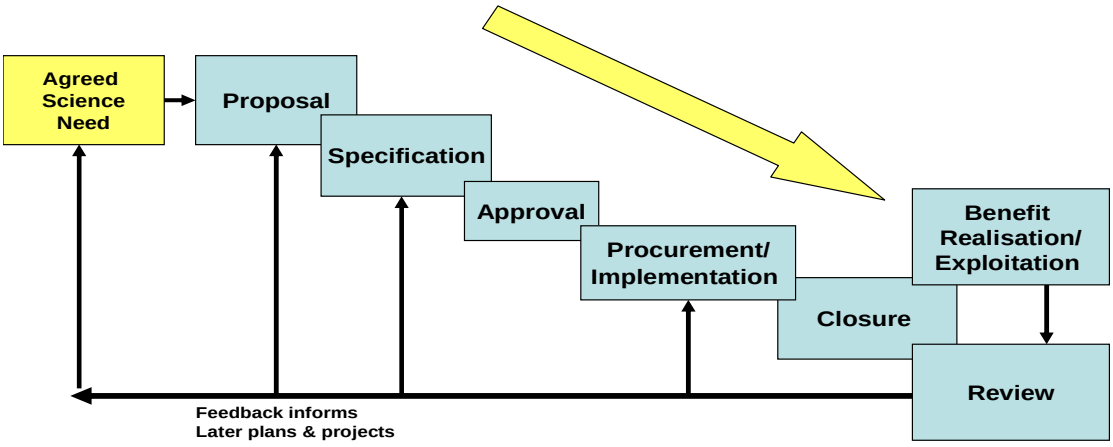


Figure 6
Project stages

8.6 Discussion on an original project proposal and understanding of the need which gives rise to the proposal is vital - before the proposal moves to project definition (pinning down the researchable question(s)) and then project specification (agreeing the project methodology, costs etc). There needs to be a mechanism to bring together key players (business managers, in-house experts and possibly external expertise) and, in the case of

work to be procured from HSL (within the spirit of the HSE/HSL Partnership) for HSL to really understand the nature of the problem the 'proposer' wanted to address. It is at this stage that clarity is needed on whether the issue is (likely to be) researchable at reasonable cost - and exactly what is needed by way of a product able to be used (to achieve real benefits). It is unacceptable to research an issue for its own sake. A key outcome of this early discussion stage would be to use a ‘template’ (or *aide memoire*) which prompts timetables to be set for completion of project stages; setting up regular project review sessions and who should be involved.

8.7 There will be differences arising if work is to be commissioned extra-murally or from HSL. The presumption is for work to be placed with HSL if they have the capability and capacity. As noted above, within the spirit of the HSE/HSL Partnership, projects for HSL will need to engage HSL very early on – whereas for extra-mural procurement (where the presumption will be in favour of competitive tender) it would not normally be appropriate to bring potential contractors into discussions on the tender specification.

8.8 In the case of HSL commissioned work, we are not only producing agreed plans (defined in terms of ‘topic’ and business area at the start of a year for the first time for 2007/08) but are also proposing to set up a Portfolio Management arrangement. HSE and HSL would meet (by video) perhaps monthly (chaired by the Chief Scientist and involving HSL Group Directors, HSE Science Coordinators and CoSAS, as appropriate). The intent is to act as a clearing house, an oversight body for projects coming forward and a place where difficulties or delays could be quickly escalated for guidance or resolution.

8.9 We wish to build the 'intelligent customer’ role into HSE’s businesses. However, the arrangement set out above would channel the peer review and challenge process - e.g. any work involving a business survey would need CoSAS/ASD input not least to stay within the rigid survey control requirements (these kinds of issues are important to get on the table at the outset!). HSL would on this basis have full input to development of a HSL-commissioned project using their skills and expertise but there would be safeguards by using HSE input to ensure that HSL would not be tempted unreasonably to steer work to their tried and tested 'comfort zones'. The spirit of the partnership is that both HSE and HSL have everything to gain for doing high quality work which is actually used to drive forward health and safety. We envisage that HSL would move to charge work against a project (to an agreed time and cost) once the process of working up the actual specification begins. This would improve cost attribution and reduce the HSL overhead.

9 Approval

9.1 We need to be clear who is to approve projects (and this could include self-approval by certain staff for small jobs with a threshold value to be considered further) and the criteria on which approval should be based. Such criteria might include: the degree of strategic fit, the validity of the methodology, the scale of the harm being addressed, the political relevance, the cost, timescale and value of any return and so on.

9.2 A distinction should be made between those work elements which are part of agreed science plans and those, particularly for extra-mural work where funds will remain very tight, which fall outside (or fall outside cost/scope tolerances). Irrespective of budget issues (see section below) it is reasonable for project approval to be the subject of clear understandings between the relevant Senior Accountable Managers in Business units and the Chief Scientific Adviser who is held personally accountable to central Government and to the

Chief Executive for the quality of HSE's science. Figure 7 sets this out. The CSA will also remain responsible for approval of evaluations and impact assessment projects.

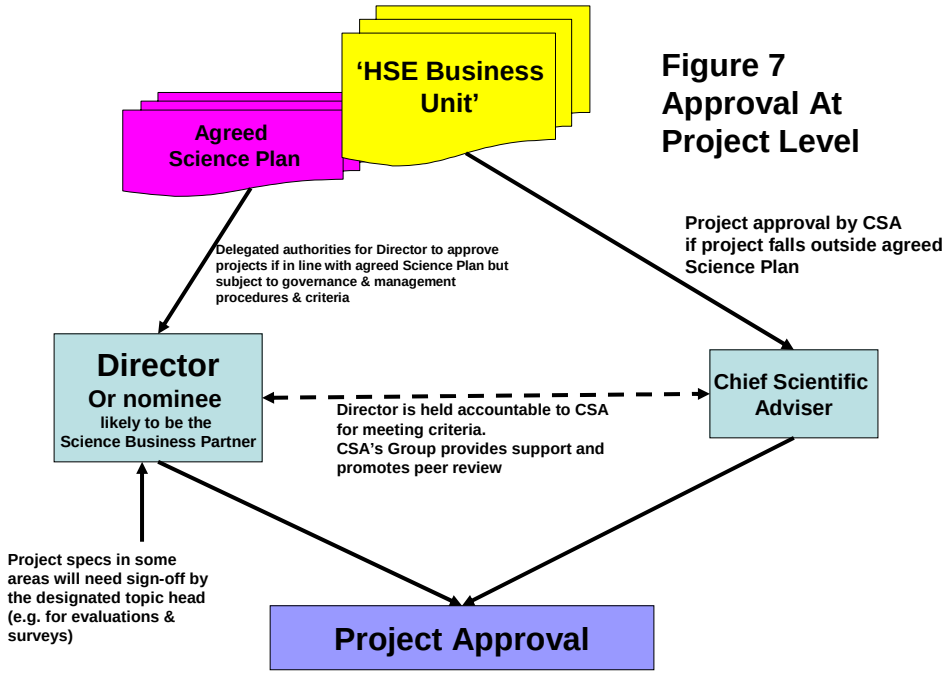


Figure 7 Approval At Project Level

9.3 In the case of HSL projects, our working assumption is that approval should be the responsibility of the Science Business Partner (on behalf of the senior manager in the particular business area) and the HSL Group Director or nominee for HSL - in the case of commissioned work at least. However the SBP would be required to follow a defined process and ensure that stakeholders and those with valid contributions were satisfied (CoSAS/CSU would perhaps provide an assistance and brokering service if that were necessary).

Appendix B

	Risk	Owner	L	I	Mitigation approach
	Benefits				
1	Technical clients will not all have the skills, awareness or attitudes to behave as necessary to improve science management and reap rewards of budget devolution.	Heads of D'torates	H	L	Training and education of clients; oversight by CSA
2	Governance system is over-elaborate with poorly defined and/or overlapping roles	CE / CSA	H	M	Ensure governance is fit for purpose and simple Roles clearly defined Fit for purpose training on system and roles of those operating it
3	System does not address tendency to over-elaborate specification, going beyond specification, poor vfm, overlapping	CSA	H	M	Clear definition of roles Appropriate management and monitoring of budget Challenge / support for 'Over-elaborators'
	Strategic management				
4	Difficulty in switching resource in-year between businesses to respond to changing business priorities	CE	M	M	Delegation documents will need to set out possible need to switch in-year. Should not present insuperable problems if the Board agrees the need to switch
5	Diversion of long-term science money into short-term priorities	CSA	L	L	The CSA will retain a challenge function, and the Science Plan itself will form a vehicle for ensuring the correct balance between short and long-term work. The CSA could also maintain a budget for longer-term research.
6	Increased difficulty to develop a corporate approach to research	CSA	M	M	Good planning, clearly setting out how cross-cutting issues would be handled, and through the letters of delegation emphasising need for corporate behaviour
7	HSE fails to secure agreed funding for the period 2008/9 – 2010/11 until early 2008, making it difficult to finalise the Science Plan.		H	M	Failure to secure a settlement will affect all business planning, but work could proceed on the basis of the minimum expected settlement, with future adjustments if additional funds are secured.

	Risk	Owner	L	I	Mitigation approach
	Financial Control				
8	Risk of overall underspend as each budget manager strives to keep within their allocation	Head, PFPD	H	L	It is likely that overall there will be underspends, as the penalties for overspend exceed those for underspending. But with good forecasting it should be possible to minimise underspend. It will be important to establish sound systems to track expenditure
9	Risk of overspend if budgets are not managed effectively	Head, PFPD	M	L	Establishment of effective forecasting / monitoring systems; consider centralised bgt mgt capability within CoSAS
10	Lack of good knowledge about impending liabilities, making mgt and financial accounts less reliable, especially causing problems at year-end in assessing accruals	Head, PFPD	M	L	See above; essential to establish sound arrangements to provide prompt accurate reports to FPPD and CSA.
11	Impending underspend/overspends not communicated rapidly to Centre, leading to eg loss of unspent funds	Head, PFPD	L	L	This is a risk created by devolution that must be accepted, mitigated by existing bgt mgt controls
12	Lack of budget mgt skills in delivery managers' areas	Head, PFPD	L	L	PFPD is trying to improve financial management awareness generally and budget management will be one element of this.
	HSL				
13	Difficulty in ensuring that HSL reaches its planned income target	DCEs	M	L	The delegation document will spell out clearly the room for manoeuvre, ensuring that HSL's income line is protected.
	Efficiency				
14	Increased administration costs as budget management is 'unbundled'	DCEs	L	L	The marginal cost of managing the Science budget will be an additional cost to be weighed against the advantages.
15	Duplication / repetition of work if commissioned separately	DCEs	M	M	Construction of sound Science Plan, and oversight by the CSA
16	Increase in costs in re-designing system to use Upside in new devolved budget system	CSA	M	L	Early engagement with the project team to ensure emerging requirements are made clear