



Framework Document

National Wealth Fund

May 2026

Framework Document

National Wealth Fund



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1 Introduction and background

Purpose of document

- 1.1 This framework document (the “Document”) has been agreed between His Majesty’s Treasury (“HMT” or “the Shareholder”), UK Government Investments Limited (“UKGI” or the “Shareholder Representative”) and National Wealth Fund Ltd (the “Company”) in accordance with HMT’s handbook Managing Public Money¹ (“MPM”) (as updated from time to time) and has been approved by HMT.
- 1.2 This Document sets out the broad governance framework within which the Company and HMT operate. It sets out the Company’s core responsibilities; describes the governance and accountability framework that applies between the roles of HMT, the Shareholder Representative and the Company; and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters considering the framework established in the UK Infrastructure Bank Act 2023 or any successor legislation (the “Act”), the Articles of Association of the Company (the “Articles”) and other governance documentation.
- 1.3 This Document also sets out HMT’s dual role, both as Shareholder and as policy sponsor, for the Company.
- 1.4 This Document does not convey any legal powers or responsibilities but the parties agree to operate within its terms, subject to all applicable laws and regulations.
- 1.5 References to the Company include all its subsidiaries and joint ventures that are classified to the public sector and central government for national accounts purposes. If the Company establishes a subsidiary or joint venture, there shall be a document setting out the arrangements between it and the Company agreed with HMT. Such subsidiaries should only be established in line with appropriate delegations.
- 1.6 Copies of the Document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on the Company’s website (<https://www.nationalwealthfund.org.uk/>) and gov.uk.
- 1.7 This Document should be reviewed regularly and updated at least every 3 years

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

unless there are exceptional reasons that render this inappropriate that have been agreed with HMT. The latest date for review and updating of this Document is April 2029. No variation of this Document shall be effective unless it is in writing and agreed by the parties.

1.8 In this Document, the following defined terms have the meanings given below:

“**Annual Business Plan**” has the meaning given in section 23.323.3;

“**AO**” means the Accounting Officer for the Company as appointed by HMT from time to time;

“**Articles**” means the Company’s Articles of Association (from time to time);

“**Board**” means the board of directors of the Company (from time to time);

“**CEO**” means the Company’s chief executive officer;

“**Shareholder Representative Director**” means a senior employee of the Shareholder Representative identified by the Shareholder and appointed as a NED on the Company’s Board;

“**NED**” means a non-executive director on the Board;

“**PAO**” means the Principal Accounting Officer who is also the Permanent Secretary of HMT;

“**Strategic Plan**” has the definition given in section 23.123.123.1; and

“**Strategic Steer**” means the statement of strategic priorities dated 19 March 2025 and issued by HMT to the Company under section 3 of the Act, as amended, updated or replaced from time to time.

1.9 Other defined terms are used in this Document and are given the meaning to them in the provisions in which they are defined.

Classification and ownership

1.10 The Company has been classified as a central government organisation by the Office for National Statistics Classifications team.

1.11 It has been administratively classified by the Cabinet Office as a non-departmental public body (“NDPB”) of HMT.

1.12 The Company has been incorporated under the Companies Act 2006 (“Companies Act”) as a company limited by shares and its sole shareholder is the

Solicitor for the Affairs of His Majesty's Treasury (the Treasury Solicitor) in their capacity as nominee for HMT.

2 Purpose and Strategic Objectives

Purpose

- 2.1 The Company is the UK government's principal investor and policy bank. Its core mission is to invest in capital-intensive infrastructure, supply chains and businesses across the UK, to unlock long-term economic growth and accelerate the transition to clean energy to meet its strategic and statutory objectives as set out in section 2 of the Act and in the Articles.
- 2.2 The Company's objectives, as set out in the Company's Articles (the "Strategic Objectives") (and which reflect the Company's statutory objectives as set out in the Act), are:
 - 2.2.1 to help tackle climate change, including by supporting efforts to meet the target for 2050 set out in section 1 of the Climate Change Act 2008; and
 - 2.2.2 to support regional and local economic growth.
- 2.3 In interpreting these objectives, the Company will take into account the Strategic Steer and publish a Strategic Plan (which should reflect the Strategic Steer), in accordance with section 23.123.1 below.

3 Operating Principles

- 3.1 The operating principles set out below (the "Operating Principles") reflect the priorities and expectations for the Company set out in the Strategic Steer and, where appropriate, supplement those expectations by setting out how the Company is expected to operate and engage with stakeholders in practice. The Operating Principles (as amended, updated or replaced from time to time) govern how the Company conducts its activities and relationships in delivering the Strategic Objectives. The application of these principles to individual transactions is set out under the Investment Principles in section 4 below.
- 3.2 To ensure the Company is successful in meeting its core objectives, the Company will act in line with the following principles:
 - 3.2.1 Triple Bottom Line: The Company will work towards achieving a triple-bottom line, whereby the Company's investments:
 - 3.2.1.1 support the government's growth and clean energy missions;
 - 3.2.1.2 generate a positive financial return for the Exchequer, in line with its

financial framework; and

3.2.1.3 crowd in significant private capital over time;

3.2.2 Partnership: The Company will operate in partnership with private and public sector institutions and other stakeholders to meet its objectives and in a way consistent with its operational independence as outlined in section 11;

3.2.3 Additionality: The Company will crowd-in private capital over time, by focusing its interventions where there is an undersupply of private finance, and by reducing barriers to investment and actively leading the exploration of financing solutions. The Company shall make reference to the Strategic Steer in interpreting the meaning of additionality;

3.2.4 Operational independence: The Company has operational independence in its day-to-day activity. The Company has delegated authority to make investment decisions, subject to meeting certain conditions agreed with HMT;

3.2.5 Impact and credibility: The Company is intended to be a long-lasting institution able to provide long-term patient capital through its investments; and

3.2.6 Flexibility: The Company has flexibility to adapt and respond to evolving market conditions to enable it to deliver on its mandate.

3.3 The Company and HMT will maintain ongoing consultation on the Operating Principles to allow them to evolve as the Company's operations progress.

3.4 In the event of any inconsistency between these Operating Principles and the Strategic Steer, the Strategic Steer shall prevail. Future Strategic Steers may provide guidance which affect how Operating Principles are interpreted.

3.5 The Company and the Shareholder acknowledge the potential benefits and importance of responsible use of artificial intelligence (AI) in supporting the Company's business.

3.6 Subject to the Company's policies, the Company shall:

3.6.1 continue to evaluate and, where appropriate, implement the use of AI to improve efficiency within the Company; and

3.6.2 use reasonable endeavours to collaborate with HMT in relation to the use of AI within government.

4 Investment Principles

4.1 The guiding investment principles used for assessing whether an investment is within the scope of the Company's investment mandate are set out below (the "Investment Principles"). The Company will invest in capital-intensive projects, businesses or assets and will make an assessment of private sector projects against all three Investment Principles and local government lending must meet the first two:

4.1.1 Investment principle 1: The investment supports the government's growth and clean energy missions;

4.1.2 Investment principle 2: The investment is intended to deliver a positive financial return for the Exchequer, in line with the financial framework; and

4.1.3 Investment principle 3: The investment is expected to crowd-in significant private capital over time.

4.2 The Company is required to have regard to the Strategic Objectives, both in setting its lending and investment policies and in assessing specific transactions. Where an investment is primarily to support regional, local and economic growth, the Company will ensure that it does not do significant harm against its climate objective and will be transparent about this assessment in its investment announcements.

4.3 The Company will not consider lending or providing other support to projects involving extraction, production, transportation and refining of crude oil, natural gas or thermal coal with very limited exemptions. These exemptions include projects improving efficiency, health and safety and environmental standards (without substantially increasing the lifetime of assets), for Carbon Capture and Storage ("CCS") or Carbon Capture, Usage and Storage ("CCUS") where projects will significantly reduce emissions over the lifetime of the asset, or those supporting the decommissioning of existing fossil fuel assets. The Company will also not support any fossil-fuel fired power plants, unless part of an integrated natural gas-fuelled CCS or CCUS generation asset. This principle will be updated over time to reflect changes in government policy and regulatory standards.

- 4.4 Further to section 2(5) of the Act, the Company may only provide any support to water companies if they have produced a costed, time limited plan demonstrating they are committed to preventing discharge.
- 4.5 The Company shall establish and maintain its own impact framework setting out its approach to measuring, evaluating, and reporting the impact of the Company. The impact framework shall define the appropriate metrics required to assess and measure impact before, during and after investment. The impact framework shall also set out how the investment principles are embedded into the Company's additionality assessments.
- 4.6 The Company shall develop and maintain its own environmental, social and governance framework in collaboration with HMT to consider the material risks of its investments and its assessment and implementation approach in further detail.
- 4.7 The Company shall support the strategies of regional and local authorities with commercial advisory services through its Regional Project Accelerator which is able to provide lending and advisory services.

5 Governance and accountability

- 5.1 The Company shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this Document or as otherwise may be mutually agreed between the Company and HMT, accord with good corporate governance practice and applicable regulatory requirements and expectations.
- 5.2 In particular (but without limitation), the Company should:
- 5.2.1 comply with the principles and provisions of the Financial Reporting Council's UK Corporate Governance Code² (as amended and updated from time to time, the "Code") to the extent appropriate to the Company or specify and explain any non-compliance in its annual report;
 - 5.2.2 comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice to the extent applicable and appropriate to the Company;
 - 5.2.3 comply with Managing Public Money ("MPM") and have regard to the relevant Functional Standards³ as appropriate and in particular those

² <https://www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code>

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

concerning Finance, Commercial and Counter Fraud; and

5.2.4 comply with and take into account, the relevant codes of good practice and guidance set out in Annex A of this Document, as they apply to the Company.

5.3 In line with MPM Annex 3.1, the Company shall provide an account of corporate governance in its annual governance statement (“Governance Statement”) including the Board’s assessment of its compliance with the Code with explanations of any material departures. To the extent that the Company does intend to materially depart from the Code, HMT and the Shareholder Representative should be notified in advance.

6 Role of HMT as Shareholder

The responsible minister

6.1 The Chancellor of the Exchequer (the “Chancellor”) has ministerial responsibility and accountability to Parliament for all matters concerning the Company, although the Chancellor may delegate this responsibility, or certain specific responsibilities, such as approving projects outside of the Company’s delegated limits, to other HMT ministers.

6.2 The Chancellor’s statutory powers in respect of the Company are set out in the Act. These include (but are not limited to):

6.2.1 Appointing the Chair of the Company’s Board, the CEO, and the Company’s NEDs as set out in section 7 of the Act; and

6.2.2 Appointing an independent person to carry out reviews in relation to the Company as set out in section 9 of the Act.

Appointments to the Board

6.3 The Chancellor will appoint the Chair and the Company’s NEDs for a term of up to the maximum permitted under the Articles, subject to a satisfactory annual appraisal. The Chair and NEDs may be reappointed for no more than one further term of up to the maximum permitted under the Articles, subject to mutual agreement and meeting required performance standards. It is intended that these appointments will be made in accordance with the principles of the Governance Code for Public Appointments⁴.

6.4 The Shareholder will nominate a senior employee of the Shareholder

⁴ <https://www.gov.uk/government/publications/governance-code-for-public-appointments>

Representative to act as a NED on the Board (the “Shareholder Representative Director”).

6.5 The Board will give legal effect to the appointments referenced in sections 6.3 and 6.4.

6.6 The Company shall be responsible for appointing all other executive directors, who shall be permanent employees of the Company. This process will be conducted through the Company’s Nominations Committee. The prior written approval of the Shareholder is required under the Company’s Articles before the appointment of an executive director position within the Company. In each case, the Board will make the appointment effective.

Other shareholder reserved matters

6.7 The Shareholder is answerable to Parliament for all matters concerning the Company. In addition to the matters set out in this Document, the Company’s Articles list further shareholder reserved matters.

6.8 The Shareholder has certain statutory roles and responsibilities in relation to the Company under the Act, including (but are not limited to):

6.8.1 Preparing and providing the Strategic Steer for the Company;

6.8.2 Providing financial assistance to the Company, including arranging for money to be paid out of the National Loans Fund; and

6.8.3 Laying a copy of the Company’s annual report and accounts before Parliament each year.

6.9 In addition to shareholder reserved matters set out in the Articles, the Shareholder will review and, if in agreement, give prior written approval for matters regarding spending approvals, acquisitions, disposals, and joint ventures in line with the delegations as set out in the delegation letter.

6.10 The Shareholder is committed to giving the Company the freedom to act with operational independence, and the Board will oversee and the Company’s executive team will operate the Company in line with the spirit of this Document, the Articles and the Act. Decisions on the day-to-day management of the Company will be taken by the executive team with oversight by the Board in accordance with their statutory, regulatory, common law and fiduciary duties.

7 HMT’s Principal Accounting Officer (PAO)

7.1 The PAO of HMT (as Shareholder) will designate the AO and will ensure that they

are fully aware of their responsibilities. The PAO will issue a letter appointing the AO, setting out their responsibilities and delegated authorities.

7.2 The general responsibilities of the PAO are set out in Chapter 3 of MPM.

7.3 The PAO is responsible for advising the Chancellor and other relevant responsible Ministers on:

7.3.1 an appropriate framework of objectives and targets for the Company in the light of the Shareholder's wider strategic aims and priorities;

7.3.2 an appropriate budget for the Company in the light of the Shareholder's overall public expenditure priorities;

7.3.3 how well the Company is achieving its Strategic Objectives and whether it is delivering value for money; and

7.3.4 via the Shareholder Representative, the exercise of the Chancellor's statutory responsibilities concerning the Company as outlined above.

7.4 The PAO, via the Shareholder Representative, is also responsible for ensuring arrangements are in place in order to:

7.4.1 monitor the Company's activities and performance;

7.4.2 address significant problems in the Company, making such interventions as are judged necessary;

7.4.3 periodically carry out an assessment of the risks both to the Shareholder and the Company's Strategic Objectives and activities in line with the wider departmental risk assessment process;

7.4.4 inform the Company of relevant government policy in a timely manner; and

7.4.5 bring Shareholder concerns about the activities of the Company to the full Board, and, as appropriate to the HMT board, requiring explanations and assurances that appropriate action has been taken.

8 The role of the Shareholder Representative

8.1 The Shareholder Representative is part of the sponsorship of the Company, acting on behalf of the Shareholder in performing the activities set out in Annex B to this Document.

8.2 The Shareholder Representative will, as set out in Annex B to this Document:

- 8.2.1 establish and maintain appropriate and effective corporate governance foundations which govern the relationship between the Shareholder, the Shareholder Representative and the Company;
 - 8.2.2 promote effective objectives, business planning and performance against the Strategic Plan;
 - 8.2.3 promote strong corporate capability;
 - 8.2.4 promote effective leadership (high quality boards and senior management);
 - 8.2.5 promote effective relationships between the Shareholder and the Company; and
 - 8.2.6 support and supplement the activities outlined above by providing an experienced NED on the Board of the Company (the "Shareholder Representative Director").
- 8.3 The Company should engage with the Shareholder Representative as the initial day-to-day point of contact between the Company and the Shareholder on the above matters, and with HMT directly on matters outlined in section 6 ("The Role of HMT as Shareholder") and section 9 ("The role of HMT as policy sponsor").

9 The role of HMT as policy sponsor

- 9.1 A clear separation of the Shareholder Representative from the policy sponsorship team ensures clarity and transparency in decision making between the Shareholder and policy interests.
- 9.2 The NWF policy sponsorship team within HMT is the primary policy contact for the Company. The responsible senior civil servant for this relationship is the relevant Director in the Enterprise and Growth Unit. They are the main source of advice to the responsible Minister on the discharge of their responsibilities in respect of the Company. They also support the PAO on their responsibilities toward the Company.
- 9.3 The policy sponsorship team will:
 - 9.3.1 advise the Company of relevant policy and guidance in a timely manner, including policy priorities in relation to the Company's Strategic Objectives and in accordance with the current agreed Strategic Plan. These policy priorities should be reflected in the Annual Business Plan;
 - 9.3.2 liaise with the Company to review performance and achievements against agreed performance measures;

- 9.3.3 advise Ministers on the Company's progress against agreed performance measures (in accordance with section 23.3.3 below);
- 9.3.4 maintain close engagement with the Company on wider policy developments and cross-Government priorities, impacting on, or affected by, the work of the Company;
- 9.3.5 from time to time, set out priorities for the Company's policy engagement; and
- 9.3.6 engage with the Company on external communications whilst respecting the importance of the Company building and maintaining a distinctive brand identity.

10 Meetings between the Company, the Shareholder Representative and HMT

- 10.1 The following meetings will take place (in person or virtually) to ensure appropriate information flows between the Company, the Shareholder Representative and HMT on government policy, performance and governance:
 - 10.1.1 The relevant HMT minister, whether the Chancellor or a HMT minister to whom responsibility has been delegated, will meet with the Chair and CEO of the Company at least annually and may require additional or more frequent meetings as reasonably necessary, including with the Shareholder Representative Director as appropriate.
 - 10.1.2 The PAO or their representative will expect to meet with the AO of the Company at least once a year, or more frequently as necessary;
 - 10.1.3 Senior policy officials (including but not limited to) the relevant Director and Second Permanent Secretary, will expect to meet with the CEO of the Company or a deputy on a regular basis; and
 - 10.1.4 The Shareholder Representative will arrange meetings between HMT, the Shareholder Representative and senior Company representatives (including the Chair, CEO and CFO) on a quarterly basis to discuss governance, financial performance and other relevant matters, including any particular mutually agreed priorities and performance measures (in accordance with section 23.3.3 below) ("Quarterly Shareholder Meetings") in line with the agreed Quarterly Shareholder Meetings terms of reference (which will be updated from time to time) .
- 10.2 The Shareholder will be responsible for hosting the HMT minister, PAO and senior policy official meetings described in sections 10.1.1 to 10.1.3 and the

Shareholder Representative will be responsible for arranging the Quarterly Shareholder Meetings described in section 10.1.4. In each case, the relevant parties will ensure that each meeting is arranged in a timely fashion to suit the reasonable convenience of all relevant parties, and that a suitable agenda is agreed and circulated at a reasonable time in advance of the meeting.

11 Partnerships

11.1 The Company is expected to work closely with HMT as follows:

11.1.1 to support government policy by providing strategic advice and insights and to be responsive to requests from HMT ministers, in conversation with other departments;

11.1.2 Without prejudice to information sharing protocols set out in section 14.4 further below, to engage with HMT officials at an early stage where an emerging issue, transaction or delivery challenge may give rise to a policy question, constraint or blocker. This includes circumstances where early engagement could enable policy advice, ministerial engagement or cross-government action to support delivery or alignment with the Strategic Steer, even where the issue or its potential impact is not yet fully formed.

11.2 The Company is expected to work closely with other government departments subject, where applicable, to the controls and guidance set out in the Financial Transaction Control Framework⁵ to:

11.2.1 design and implement innovative finance solutions and identify investment opportunities in priority sectors. This will be aided by the Company being involved where possible at the consultation, design and/or delivery stage; and

11.2.2 support government departments' sectoral policies by providing strategic advice and insights into sectors where it is active.

11.3 The Company is expected to build strong relationships with devolved governments and local authorities to address investment barriers by providing financing and expertise, including through the Regional Project Accelerator.

11.4 The Company is expected to collaborate with other Public Financial Institutions and relevant government bodies, including through the Public

⁵ [Financial transaction control framework - GOV.UK](#)

Investment Roundtable, to support addressing access to finance gaps and support the government's growth and clean energy missions.

12 Resolution of disputes

- 12.1 Any disputes between the Shareholder and the Company will be resolved in as timely a manner as possible. The Shareholder and the Company will seek to resolve any disputes through an informal process between the Company and the Shareholder Representative in the first instance. Each party will use its best endeavours to resolve the dispute at that level. If such a resolution does not prove possible within a reasonable time, either party may initiate a further review and discussion by the senior policy sponsors from the Company or such a person as nominated by the Company at the time and the Shareholder Representative. The Shareholder will ensure that the PAO is briefed on evolving developments in any such discussions; and the Shareholder Representative shall ensure that the CEO and Chair of the Company are similarly briefed.
- 12.2 In the event that the process detailed above is unsuccessful, the Shareholder has the right to give the Company directions of a general or specific nature pursuant to section 4 of the Act. Such directions to the Company to undertake an action must be given in writing. The Shareholder shall consult the Board prior to issuing such direction and must publish the direction.
- 12.3 The Act requires that the Company must comply with the direction. Any duty imposed on the Company or the Board under the Act is enforceable on an application by the Treasury by injunction.

13 Freedom of Information requests

- 13.1 Where a request for information is received by either party under the Freedom of Information Act 2000 ("FOIA"), or the Data Protection Act 1998 or 2018 and the subject of the request for information relates to the other party, the party receiving the request will consult with the other party prior to any disclosure of information that may affect the other party's responsibilities.
- 13.2 The CEO of the Company is authorised to act as the 'qualified person' under section 36(5)(o)(iii) of FOIA, pursuant to the letter of authorisation from the Financial Secretary to the Treasury dated 21 November 2025.

14 Reporting on legal risk and litigation

- 14.1 Notwithstanding the provisions of any protocol agreed as set out below, the Company shall provide a quarterly update in writing to the Shareholder at the Quarterly Shareholder Meeting on the existence of any active litigation and any

threatened or reasonably anticipated litigation relating to the Company (or any natural or legal person connected to the Company) or its activities which has the potential to affect the Company's financial or public position in any material respect or would otherwise be of interest or concern to the Shareholder.

14.2 For the purposes of this section- 14, the term "litigation" shall include any administrative, mediation, arbitration, settlement, or other proceedings, or any claims, actions, or hearings before any court, tribunal or any governmental, regulatory or similar body.

14.3 The parties to this Document acknowledge the importance of ensuring that legal risks are communicated appropriately to the Shareholder in a timely manner.

14.4 In respect of each substantial piece of litigation involving the Company, the parties to this Document will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of the litigation and the protection of legally privileged information transmitted to the Shareholder to facilitate this. Until such time as a protocol is agreed, parties will ensure that:

14.4.1 material developments in the litigation are communicated to the Shareholder in an appropriate and timely manner;

14.4.2 legally privileged documents and information are clearly marked as such;

14.4.3 individual employees handling the legally privileged documents are familiar with principles to which they must adhere to protect legal privilege; and

14.4.4 circulation of privileged information within government occurs only as necessary.

14.5 The Company shall provide a written update to the Shareholder at the end of each quarter describing any investments and products which are: (i) outside of its legal mandate and the delegated authorities; or (ii) not compatible with any applicable subsidy control rules.

15 The Company's governance structure and responsibilities of the Chief Executive Officer as Accounting Officer (AO)

Responsibilities of the Company's Chief Executive Officer as accounting officer

15.1 The CEO as AO is personally responsible for safeguarding the public funds for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of the Company.

15.2 In addition, they should ensure that the Company as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management, that are set out in Box 3.1 of MPM. These responsibilities include those set out below and those set out in the AO appointment letter issued by the PAO.

Responsibilities for accounting to parliament and the public

15.3 Responsibilities of the Company's AO to Parliament and the public include:

15.3.1 signing the annual report and accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any accounts directions issued by HMT;

15.3.2 reviewing the Governance Statement as set out by the Code for agreement by the Board;

15.3.3 ensuring that effective procedures for handling complaints about the Company are established and made widely known within the Company;

15.3.4 ensuring that the Company acts in accordance with the terms of this Document and the principles of MPM and other instructions and guidance issued from time to time by HMT and the Cabinet Office to the extent that they apply to the Company;

15.3.5 ensuring that as part of the above compliance they are familiar with and act in accordance with:

15.3.5.1 their fiduciary duties under the Companies Act;

15.3.5.2 the Act;

15.3.5.3 this Document;

15.3.5.4 any delegation letter issued to the Company^{19.2};

15.3.5.5 any elements of any settlement letter issued to HMT that are relevant to the operation of the Company; and

15.3.5.6 any separate settlement letter that is issued to the Company from HMT;

15.3.6 ensuring they have appropriate internal mechanisms for monitoring, governance and external reporting regarding non-compliance with any conditions arising from the above documents; and

15.3.7 giving evidence, normally with the PAO, if required before the Public Accounts Committee on the Company's stewardship of public funds.

Responsibilities to HMT and the Shareholder Representative

15.4 The AO's responsibilities to the Shareholder and Shareholder Representative include:

15.4.1 producing in agreement with HMT, the Company's Strategic Plan and Annual Business Plan, in line with the Act and the Strategic Steer;

15.4.2 informing HMT and the Shareholder Representative of progress in achieving the Strategic Objectives as appropriate and in demonstrating how resources are being used to achieve those objectives;

15.4.3 ensuring that timely forecasts and monitoring information on performance and finance are provided to the Shareholder Representative and HMT; that the Shareholder Representative and HMT are notified promptly if over or under spends are likely and that corrective action is taken; and

15.4.4 ensuring that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Shareholder Representative and HMT in a timely fashion (it is sufficient that this information update is provided in Board meetings and / or Quarterly Shareholder Meetings).

16 Responsibilities to the Board

16.1 The AO is responsible for:

16.1.1 advising the Board on the discharge of the Company's responsibilities as set out in this Document, the Act and in any other relevant instructions and guidance that may be issued from time to time;

16.1.2 advising the Board on the Company's performance, compared with its aims and objectives as set out in the Strategic Plan and Annual Business Plan;

16.1.3 ensuring that the Board receives and reviews regular financial and management information concerning the management of the Company; and

16.1.4 ensuring that financial considerations are taken fully into account by the Company's Board at all stages in reaching and executing its decisions, and that appropriate financial appraisal techniques are followed.

17 Managing conflicts between the Board and the AO

- 17.1 The AO should follow the advice and direction of the Board, except in very exceptional circumstances with a clear and transparent rationale for not doing so.
- 17.2 The AO must take care that their personal legal responsibilities do not conflict with their duties as a Board member. In particular, the AO should vote against any proposal which appears to cause such a conflict; it is not sufficient to abstain.
- 17.3 If the Chair or Board of the Company is minded to instruct the AO to carry out a course inconsistent with their duties as AO, then the AO should make their reservations clear, preferably in writing. If the Board is still minded to proceed, the Company AO should then:
- 17.3.1 ask the PAO to consider intervening to resolve the difference of view, preferably in writing;
 - 17.3.2 if the Board's decision stands, seek its written direction to carry it out, and to inform HMT;
 - 17.3.3 proceed to implement without delay; and
 - 17.3.4 follow the process in paragraph 3.6.6 of MPM, noting there may be occasions where matters may be confidential due to commercially sensitive information or the public interest.

18 The Board

Composition of the Board

- 18.1 The Company will have a board in line with good standards of corporate governance and as set out in its establishing statute and in applicable guidance set out in Annex A. The role of the Board shall be to run the Company and to deliver the Strategic Objectives, in accordance with the Articles, their statutory, regulatory, common-law and fiduciary duties and their responsibilities under this Document. Detailed responsibilities of the Board shall be set out in the Board terms of reference (as varied from time to time).
- 18.2 Remuneration of the Board will be disclosed in line with the guidance in Government Financial Reporting Manual (FRoM)⁶.

⁶ <https://www.gov.uk/government/collections/government-financial-reporting-manual-frem>

- 18.3 The Board will consist of the Chair, other NEDs (including the Shareholder Representative Director), the CEO and other executive members that have a balance of skills and experience appropriate to directing the Company's business.
- 18.4 The Board shall have no fewer than five and no more than 14 directors in accordance with its Articles. This will include, as an executive and voting Board member, an appropriately qualified finance director as described in Annex 4.1 of MPM.
- 18.5 The Board should include a majority of independent non-executive members to ensure that executive members are supported and constructively challenged in their role.
- 18.6 The quorum for Board meetings shall be as stated in Article 93 of the Articles (as amended from time to time), being at the date of this Document at least five Directors, one of whom shall be the Shareholder Representative Director (or an alternate appointed by the Shareholder Representative Director), and one of whom shall be an Executive Director (or an alternate director appointed by an Executive Director).
- 18.7 HMT reserves the right to request that an observer attends all or part of specific Board meetings. The Company's consent is not to be unreasonably withheld, delayed or conditioned.
- 18.8 As described in section 6.2, the Chancellor will appoint the Chair, CEO, and other non-executive members of the Board. This notwithstanding, it is agreed between HMT, the Company, and the Shareholder Representative that all appointments processes should have regard to the principle that appointments should reflect the diversity of the society in which we live, and should take account of the need to appoint Boards which include a balance of skills and backgrounds.

Committees of the Board

- 18.9 The Board may set up such committees as necessary for it to fulfil its functions. As is detailed below, at a minimum, this should include an Audit and Risk Committee and a Remuneration Committee (each chaired by an independent and appropriately qualified NED) as well as a Nominations Committee. The Chair of the Board shall have authority to appoint and remove the chair of each committee.
- 18.10 While the Board may make use of committees to assist its consideration of appointments and succession planning (for the Board and executive), audit, risk

and remuneration, it retains responsibility for and endorses, final decisions in all of these areas. The Chair should ensure that sufficient time is allowed at the Board for committees to report on the nature and content of discussion, on recommendations, and on actions to be taken.

- 18.11 Where there is disagreement between the relevant committee and the Board, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreement cannot be resolved, the committee concerned should have the right to report the issue to the Shareholder Representative Director and the Shareholder. They may also seek to ensure the disagreement or concern is reflected as part of the report on its activities in the annual report.
- 18.12 The Chair should ensure Board committees are properly structured with appropriate terms of reference, to be regularly reviewed and updated as necessary by the Board, on at least an annual basis. The terms of each committee should set out its responsibilities and the authority delegated to it by the Board.
- 18.13 The Chair should ensure that committee membership is periodically refreshed and that individual independent NEDs are not over-burdened when deciding the chairs and membership of committees. The Shareholder Representative Director must always be a member of the Audit and Risk, Remuneration and Nominations Committees.

Duties of the Board

- 18.14 The Board is specifically responsible for:
- 18.14.1 taking forward the strategic aims and objectives of the Company as set out in the Strategic Objectives, subject to HMT approval. These should be consistent with the Company's overall Strategic Plan and within the policy and resources framework determined by HMT;
 - 18.14.2 scrutinising and approving the multi-year Strategic Plan and the Annual Business Plan and budget;
 - 18.14.3 ensuring that the Company's activities are conducted in accordance with the Operating Principles;
 - 18.14.4 providing effective leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed;
 - 18.14.5 ensuring the financial and human resources are in place for the Company to meet its Strategic Objectives;

- 18.14.6 reviewing management performance;
- 18.14.7 ensuring that the Shareholder is kept informed of any changes which are likely to impact on the strategic direction of the Company or on the attainability of its Strategic Objectives, and determining the steps needed to deal with such changes;
- 18.14.8 ensuring that the Board receives and reviews regular financial and management information concerning the management of the Company and is informed in a timely manner about any concerns about the activities of the Company;
- 18.14.9 ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of the Company's Board or on the attainability of its targets, and determining the steps needed to deal with such changes and where appropriate bringing such matters to the attention of the responsible Minister via the HMT sponsorship team and PAO via the executive team, HMT sponsorship team or directly;
- 18.14.10 ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its legal authority and any delegated authority agreed with the Shareholder, and in accordance with any other conditions relating to the use of public funds;
- 18.14.11 ensuring that as part of the above compliance the Board are familiar with:
 - 18.14.11.1 their fiduciary duties under the Companies Act, this Document, the provisions of the Act, and any other governance documents agreed between the Company, HMT and the Shareholder Representative;
 - 18.14.11.2 any delegation letter issued to the Company; and
 - 18.14.11.3 that they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding any conditions arising from the above documents and ensure that the CEO and the Company as a whole act in accordance with their obligations;
- 18.14.12 demonstrating high standards of corporate governance at all times, including by using the independent Audit and Risk Committee to help the Board to address key financial and other risks;
- 18.14.13 if required, co-operating fully with the requests of all relevant

Parliamentary committees for scrutiny, requests from the Parliamentary Commissioner for Administration and otherwise to assist HMT and the Shareholder Representative in answering questions about the Company;

18.14.14 in consultation with HMT, setting performance objectives and remuneration terms for the CEO, which give due weight to the proper management and use and utilisation of public resources; and

18.14.15 determining all such other things which the Board considers ancillary or conducive to the attainment or fulfilment by the Company of its Strategic Objectives.

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

18.16 The Board should lead the assessment and management of opportunity and risk. The Board should ensure that effective arrangements are in place to provide assurance over the design and operation of risk management, governance and internal controls in line with the Management of Risk – Principles and Concepts (The Orange Book)⁷ and the Code. The Board must set up an Audit and Risk Committee chaired by an independent and appropriately qualified NED to provide independent advice and ensure that the Audit and Risk Committee are provided with routine assurances with escalation of any significant limitations or concerns. The Board is expected to assure itself of the adequacy and effectiveness of the risk management framework and the operation of internal controls.

18.17 Consistent with its operational independence, the Company will make its own investment decisions and manage these itself, subject to its delegated authority limits. These decisions may result in the Company entering into binding legal obligations, including obligations of contractual and/or common law confidentiality with respect to the information of third parties. Without prejudice to the foregoing, the Company acknowledges and agrees that it, HMT and the Shareholder Representative also have public sector accountability obligations, including to Parliament and, as such, the Company will seek to provide HMT with information that it may require by law and/or reasonably require to meet its accountability obligations, including to Parliament and the National Audit Office. HMT acknowledges that any such information shall be handled appropriately, including ensuring commercially sensitive information is kept confidential and any personal data is handled in accordance with relevant data protection legislation. The Company and HMT acknowledge and agree that an information protocol

⁷ <https://www.gov.uk/government/publications/orange-book>

shall be agreed between them as soon as reasonably practicable.

18.18 At the request of HMT, the Board or its representatives shall:

18.18.1 meet HMT or its representatives with reasonable notice to discuss the affairs of the Company; and

18.18.2 provide such information in relation to the affairs of the Company as HMT may reasonably require, while also respecting the operational independence of the Company.

18.19 For the avoidance of doubt and subject to the directors' statutory, common law and fiduciary duties, the Board's obligations in this regard are to HMT alone, and not, for instance, to individual departments across government.

The Chair's role and responsibilities

18.20 The Chair is responsible for leading the Board in the delivery of its responsibilities and its Strategic Objectives. Such responsibility should be exercised in the light of their duties and responsibilities as set out in their appointment letter, the priorities in the Chair's Letter issued to them by HMT from time to time, the Articles, this Document and the Act.

18.21 The Chair is accountable to the Shareholder.

18.22 The Chair is bound by the Code of Conduct for Board Members of Public Bodies⁸, which covers conduct in the role and includes the Nolan Principles of Public Life⁹, and should abide by the 12 Principles of Governance for all Public Body Non-Executive Directors, as appropriate.

18.23 In addition, the Chair is responsible for:

18.23.1 ensuring, including by monitoring and engaging with appropriate governance arrangements, that the Company's affairs are conducted with probity; and

18.23.2 ensuring that policies and actions support HMT's wider strategic policies and where appropriate, these policies and actions are clearly communicated and disseminated throughout the Company.

⁸ [Code of conduct for board members of public bodies - GOV.UK](#)

⁹ <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

18.24 The Chair has the following leadership responsibilities:

18.24.1 helping to formulate the Board's strategy in relation to its responsibilities;

18.24.2 leading the Board in scrutinising and challenging the Strategic Plan and Annual Business Plan formulated by the executive of the Company;

18.24.3 ensuring that the Board, in reaching decisions, takes proper account of guidance provided by HMT;

18.24.4 promoting the efficient and effective use of staff and other resources;

18.24.5 delivering high standards of regularity and propriety; and

18.24.6 representing the views of the Board to the general public.

18.25 The Chair also has a particular obligation to ensure that:

18.25.1 the work of the Board and its members are reviewed and are working effectively, including formal annual evaluation of the performance of individual Board members with appropriately detailed assessments of the performance of individual Board members when being considered for re-appointment;

18.25.2 in conducting such assessments, that the views of relevant stakeholders, including the Shareholder, are sought and considered;

18.25.3 they support the appointments process to ensure the Board has a balance of skills appropriate to directing the Company's business, and that all directors including the Chair and CEO continually update their skills, knowledge and familiarity with the Company to fulfil their role both on the Board and committees.

18.25.4 Board members are fully briefed on terms of appointment, duties, rights and responsibilities;

18.25.5 they, together with the other Board members, receive appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;

18.25.6 the Shareholder is advised of the Company's needs when Board vacancies arise; and

18.25.7 the Company maintains Board terms of reference setting out the role and responsibilities of the Board consistent with the Government Code of Good Practice for Corporate Governance.

18.26 Notwithstanding the Code, the Shareholder Representative shall retain responsibility for overseeing and collating the evaluation and review of the Chair's performance, with the support of the Senior Independent Director on behalf of the Board and taking into account the views of relevant stakeholders. The outcome of that evaluation should be made available to the Responsible Minister. This includes appraisal of the Chair's performance in accordance with the Code.

Individual Board members' responsibilities

18.27 Individual Board members should:

18.27.1 abide by the Code of Conduct for Board Members of Public Bodies, which covers conduct in the role and includes the Nolan Principles of Public Life as well as rules relating to the use of public funds and to conflicts of interest;

18.27.2 adhere to the 12 Principles of Governance for all Public Body Non-Executive Directors¹⁰ as appropriate and not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;

18.27.3 comply with the Company's rules on the acceptance of gifts and hospitality, and of business appointments;

18.27.4 act in good faith and in the best interests of the Company; and

18.27.5 ensure they are familiar with any applicable guidance on the role of public sector non-executive directors and boards that may be issued from time to time by the Cabinet Office, HMT or wider government.

19 Management and financial responsibilities and controls

Delegated authorities

19.1 The Board is responsible for establishing appropriate delegations with the Company. The Shareholder Representative will review these delegations from time to time with the Board.

19.2 The AO's delegated authorities are set out in the annual delegation letter sent by the PAO to the AO. This delegation letter may be updated and superseded by later versions which may be issued by the PAO. Further detail in relation to the

¹⁰ <https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-neds>

delegations, including the role of the Board, is set out in the Financial Framework.

- 19.3 In line with MPM Annex 2.2 these delegations will be reviewed on an annual basis.
- 19.4 The delegation letter establishes controls relating to Consultancy and Professional Services.
- 19.5 The Company shall obtain the Shareholder's prior written approval before:
- 19.5.1 entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the Company's annual budget as approved by the Shareholder;
 - 19.5.2 incurring expenditure for any purpose that is or might be considered novel, contentious or repercussive, (as set out in MPM or any associated guidance) or which has or could have significant future cost implications;
 - 19.5.3 making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by HMT;
 - 19.5.4 making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
 - 19.5.5 carrying out policies that go against the principles, rules, guidance and advice in MPM.

Spending authority

- 19.6 Once the budget has been approved in accordance with section 23.423.4 the Company shall have authority to incur expenditure approved in the budget without further reference to the Shareholder, on the following conditions:
- 19.6.1 the AO shall comply with the delegations set out in the delegation letter19.2;
 - 19.6.2 the Company shall comply with MPM regarding novel, contentious or repercussive proposals;
 - 19.6.3 inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal Shareholder approval where any proposed expenditure is outside the delegated limits; and
 - 19.6.4 the Company shall provide the Shareholder with such information about its operations, performance, individual projects or other expenditure as the

Shareholder may reasonably require.

Banking and managing cash

- 19.7 The Company must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking).
- 19.8 The Company should only hold money outside Government Banking Service accounts where this has been approved by HMT and is supported by a robust business case that demonstrates value for money for HM Government. Only commercial banks which are members of relevant UK clearing bodies may be considered for this purpose.
- 19.9 Commercial accounts where approved should be operated in line with the principles as set out in MPM.
- 19.10 The AO is responsible for ensuring the Company has a banking policy as set out in MPM and ensuring that policy is complied with.

Regulation

- 19.11 The Company is exempt from the general prohibition in respect of any regulated activities specified in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544) (“the RAO”).
- 19.12 Notwithstanding any exemptions that may apply to the Company, the Shareholder acknowledges that the provision of certain aspects of the Company’s activities may be subject to the Financial Conduct Authority rules (the “FCA Rules”) or guidance or principles, the Prudential Regulation Authority rules (the “PRA Rules”) or guidance or principles and/or other applicable laws or regulations. The Shareholder acknowledges that if there is any conflict between this Document and any of the FCA Rules or guidance or principles, the PRA Rules or guidance or principles or other applicable laws or regulations, any relevant FCA Rules, PRA Rules and/or other applicable laws or regulations shall prevail.
- 19.13 Where a material issue arises in relation to financial regulation which could affect the interests of the Shareholder, then the Company must, to the extent practicable and legal, consult with the Shareholder in good time and before any substantive communications with the relevant financial regulator. The Company will consult with the Shareholder to address the issue and, if time permits, agree an appropriate clearance arrangement for such communications.
- 19.14 If certain exemptions from regulation are granted to the Company, the Company shall in any event act in accordance with best practice in its governance

and conduct as a financial institution. This would include, as far as is reasonably practicable and appropriate for the Company, abiding by the principles of the relevant elements of the FCA's Principles for Business and the Senior Managers and Certification Regime.

Procurement

- 19.15 The Company shall ensure that its procurement policies are aligned with and comply with any relevant UK or other international procurement rules.
- 19.16 The Company shall establish its procurement policies and document these in a Procurement Policy and Procedures Manual.
- 19.17 In procurement cases where the Company is likely to exceed its delegated authority limit, or where cases are considered novel, contentious or repercussive, procurement strategy approval for the specific planned purchase must be sought from the Shareholder.
- 19.18 Goods, services, and works should be acquired by competition. Proposals to let single-tender or restricted contracts shall be limited and exceptional, and a quarterly report explaining those exceptions should be sent to HMT.
- 19.19 Procurement by the Company of works, equipment, goods, and services shall be based on a full option appraisal and value for money (VfM), i.e. the optimum combination of whole life costs and quality (fitness for purpose).
- 19.20 The Company shall:
- 19.20.1 engage fully with department and government wide procurement initiatives that seek to achieve VfM from collaborative projects;
 - 19.20.2 comply with all relevant Procurement Policy Notes issued by Cabinet Office; and
 - 19.20.3 co-operate fully with initiatives to improve the availability of procurement data to facilitate the achievement of VfM.
- 19.21 The Company shall comply with the Commercial Standards¹¹. These standards apply to the planning, delivery, and management of government commercial and form part of a suite of functional standards that set expectations for management within government.

¹¹ <https://www.gov.uk/government/publications/commercial-operating-standards-for-government>

20 Risk management

- 20.1 The Company shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management framework (the “Risk Management Framework”), in accordance with the HMT guidance “Management of Risk: Principles and Concepts” (the “Orange Book”) and the Code as appropriate.
- 20.2 The Risk Management Framework shall address the risks relevant to the activities and exposures of the Company, including risks associated with making and divesting investments, the assessment and mitigation of those risks, and the Company’s associated structures, controls, processes and procedures.
- 20.3 The Board shall set the risk appetite for the Company in accordance with the Risk Management Framework and the principles of the financial framework.
- 20.4 The Risk Management Framework will be subject to review and approval by the Board on an annual basis and shall also be reviewed and approved by the Shareholder on the same basis. The Risk Management Framework or any specific element of it will be subject to an audit by the Internal Audit Services Function on a periodic basis. The Board may also review the Risk Management Framework as necessary to take into account any changes that it deems relevant, including the activities of the Company, the investment environment, and regulatory guidelines and requirements.
- 20.5 The Company shall inform and consult with HMT in respect of any changes to the Risk Management Framework that the Company Board considers to be material. Any such updates or amendments to the Risk Management Framework, whether arising out of the annual review process or otherwise, will be subject to discussion with HMT.

21 Financial crime, including fraud and theft

- 21.1 The Company should adopt and implement policies and practices to safeguard itself against financial crime including fraud and theft.
- 21.2 The Company should act in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set out in MPM Annex 4.9 and the Counter Fraud Functional Standard¹². It should also take all reasonable steps to appraise the financial standing of any firm or

¹² <https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>

other body with which it intends to enter a contract.

- 21.3 The Company should further consider applicable FCA guidance and, upon request, submit to the Shareholder its annual assurance report on how NWF manages its financial crime risk (including fraud). It should also notify the Shareholder and the Shareholder Representative of any major incidents in line with NWF's Risk Management Framework.

22 Staff

Broad responsibilities for staff

- 22.1 The Company is solely responsible for all staff matters, including for the recruitment, retention and motivation of its staff, determining staff numbers and determining terms and conditions of appointment in accordance with the appropriate Company HR documents, including the remuneration policy.
- 22.2 The broad responsibilities toward its staff are to ensure that:
- 22.2.1 the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit; there is no discrimination against employees with protected characteristics under the Equality Act 2010;
 - 22.2.2 the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
 - 22.2.3 the performance of its staff at all levels is reviewed and feedback given on a frequent basis to employees;
 - 22.2.4 its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the Company's Strategic Objectives;
 - 22.2.5 proper consultation (where required by legislation) with staff takes place on key issues affecting them;
 - 22.2.6 adequate grievance and disciplinary procedures are in place; and
 - 22.2.7 whistle-blowing procedures consistent with the Public Interest Disclosure Act 1998 are in place.

Staff costs

- 22.3 Subject to its delegated authorities, the Company shall ensure that the

creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

Pay and conditions of service

22.4 The Company's staff are Public Servants.

22.5 The Remuneration Committee should have responsibility for setting the remuneration policy for executive directors and all other senior management of the Company, any compensation payments, and performance related remuneration. Proposals on severance must comply with the rules in Chapter 4 of Managing Public Money and any associated or updated guidance. In determining such a remuneration policy, the Remuneration Committee shall take into account all factors that it deems necessary including applicable legal and regulatory requirements, the provisions and recommendations of the Corporate Governance Code, and associated guidance on remuneration.

22.6 The pay controls for employees are set out in the reward framework as agreed with the Shareholder (via the Chief Secretary to HMT) from time to time ("Remuneration Threshold"). No executive officer or other employee of the Company shall be appointed to a role paid higher than these limits without prior written consent of the Shareholder. In determining the remuneration of an individual, for this purpose, total remuneration will be calculated using the methodology set out in 'Guidance for the approval of senior pay: senior pay controls process, dated November 2025'¹³ ("Senior Pay Guidance") or such updated version of such document as may be published from time to time.

22.7 As at the date of this Document, the Company has delegated authority for a total of 42 appointments (of which six roles are ring-fenced for executive roles) which would attract remuneration at or above the defined threshold, as set out in the Senior Pay Guidance. This number includes the CEO and the CFO. The Company shall continue to monitor and review its overall staffing requirement in line with its continuing needs and development.

22.8 The Remuneration Committee shall determine the remuneration policy and remuneration levels in accordance with the criteria set out below (which shall also be reflected in the Remuneration Committee terms of reference and the remuneration policy itself). The criteria are that remuneration levels:

22.8.1 are sufficient to attract and motivate high calibre individuals to drive the delivery of the activities and objectives of the Company described in this

¹³ [Guidance for approval of senior pay - GOV.UK](#)

Document;

22.8.2 are structured to link remuneration of senior employees to performance agreed with the Remuneration Committee;

22.8.3 are aligned with the objectives set out in this Document;

22.8.4 deliver value for money; and

22.8.5 take account of MPM and take account of remuneration levels within comparable private and public sector institutions and are set with wider public sector pay policy in mind, taking into account legislative and HMT guidance.

22.9 The Company must have regard to wider public sector pay policy and the reward framework when setting a remuneration policy for the Company and the Remuneration Committee should have oversight of all bonus and incentive schemes. The CEO is responsible for ensuring the Company conducts its operations in accordance with MPM in relation to:

22.9.1 off-payroll rules: it is the responsibility of the Company to ensure it complies with the IR35 requirement;

22.9.2 confidentiality clauses: confidentiality clauses may only be used as permitted in relevant public sector guidance;

22.9.3 salary sacrifice schemes: must be consistent with MPM;

22.9.4 travel: travel policy must be consistent with the guidance, with first class travel restricted to exceptional cases; and

22.10 pension schemes: are defined contribution and not based on final salary.

22.11 The Company should report (via the Remuneration Committee) to the Shareholder on an annual basis the number of posts paid above the defined threshold for senior pay, and comply with other requirements in line with the approval of these roles. The Company should also notify the Shareholder of all bonus arrangements put in place that are above the remuneration threshold.

22.12 The Annual Report should contain full details in bands of the remuneration of Board members (including executive directors).

22.13 Staff terms and conditions should be set out in an Employee Handbook, which should be provided on request to the Shareholder Representative together with subsequent amendments.

22.14 The Company shall apply the public sector pay controls as agreed with the Shareholder, including the relevant approvals process dependent on the organisation's classification as detailed in the Senior Pay Guidance and the Public Sector Pay and Terms Guidance¹⁴.

22.15 The Company shall operate a performance-related bonus scheme based on company performance and individual conduct approved by its Remuneration Committee.

22.16 The travel expenses of Board members shall be tied to the rates allowed to senior staff of the Company. Reasonable actual costs, excluding alcohol, shall be reimbursed.

Company Pension scheme

22.17 Secondments from the Civil Service will continue to be eligible to be members of the Principal Civil Service Pension Scheme pursuant to the Cabinet Office Statement of Practice.

22.18 All other Company employees will be entered into a defined contribution pension scheme, unless they should choose to opt out.

22.19 Any contemplated changes to the Company's defined contribution pension scheme should be discussed with the Shareholder in advance. The Company requires the Shareholder's approval to such changes, which shall not be unreasonably withheld.

Location

22.20 The registered office and headquarters of the Company shall be in Leeds.

22.21 The Board shall obtain the prior approval of the Shareholder before any change to the location of the Company's headquarters.

23 Financial Framework, business plans, financial reporting and management information

Strategic Plan, Annual Business Plan and performance measures

23.1 The Company shall periodically (as agreed with HMT) publish a Strategic Plan ("Strategic Plan") in accordance with section 7 of the Act and article 5 of the Articles, which should reflect the Strategic Steer and which shall be approved by HMT. The Company shall agree with HMT the issues to be addressed in the plan

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

and the timetable for its preparation, but, as a minimum, it shall include:

23.1.1 a description of how the Strategic Objectives will be fulfilled in the period of the plan, including clear descriptions of risks and opportunities to the plan; and

23.1.2 other matters as agreed between the Shareholder and the Company.

23.2 The Strategic Plan will be developed, reviewed and updated by the Company in accordance with a timetable for any such updates determined by the Board. When the Shareholder revises or replaces the Strategic Steer, the Company will update its Strategic Plan as soon as is practicable, or on a timeframe agreed with the Shareholder. The Company should never be without a valid Strategic Plan. In each instance the updated Strategic Plan shall be approved by the Shareholder.

23.3 The Company shall prepare an Annual Business Plan setting out actions the Company will take in each financial year to deliver on its mission and execute its Strategic Plan. The Annual Business Plan shall be approved by the Shareholder. At a minimum the Annual Business Plan shall include:

23.3.1 financial information at a level of detail agreed between the Company and the Shareholder Representative covering a minimum 5-year forecast period, including an income statement, balance sheet projections, return on equity, cashflow statement, capital drawdown, high and low scenarios and explanatory narrative regarding assumptions;

23.3.2 a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any departmental funding and/or other income over the year that takes account both of approved funding provision and any forecast receipts.

23.3.3 a set of objectives and performance measures to allow the Board and Shareholder Representative to track performance against the Strategic Plan;

23.3.4 an overview of the Company's plans and anticipated activity to deliver on its Strategic Objectives and Annual Business Plan objectives;

23.3.5 an assessment of risk factors that could impact execution of the Annual Business Plan, including how activity will impact the risk profile of the Company and how the Company will seek to mitigate these risks; and

23.3.6 other matters as agreed between the Shareholder and the Company.

23.4 Each year, in the light of decisions by the Shareholder on the updated

Business Plan, the Shareholder will send to the Company a formal statement of the annual budgetary provision allocated by HMT in the light of competing priorities across HMT and of any forecast income approved by the Shareholder.

Shareholder guidance and other government controls

23.5 The activities, roles and responsibilities of the Company as described in this Document should comply with MPM, the Consolidated Budgeting Guidance and guidance issued by the Shareholder and the Cabinet Office (as amended from time to time and to the extent applicable to the Company).

Pricing and subsidy control rules application

23.6 The Company will make decisions on the pricing applied to individual transactions taking into account its Strategic Objectives, Investment Principles and Operating Principles (as appropriate), including any market failure it is seeking to address. The Company will ensure that pricing is:

23.6.1 reflective of the risk undertaken, recognising the Company's ability to offer finance on concessional terms where appropriate;

23.6.2 consistent with the relevant sections of MPM; and

23.6.3 in accordance with applicable company and competition law, subsidy control rules and regulatory requirements.

23.7 The Company will have its own in-house legal function, or will obtain suitable third-party legal services, that will advise the Company, in particular, in respect of individual programmes and transactions from a subsidy control perspective.

Dividend distribution and retained earnings

23.8 The Shareholder may request a dividend in order to prevent significant retained earnings being accrued over time within the Company. The mechanics of this process will be agreed in writing by the Shareholder, when appropriate.

Capitalisation

23.9 The Shareholder has provided the Company with a financial capacity of £27.8bn ("Overall Financial Capacity"), as well as such financial capacity as required to support the Sizewell C Loan in line with the financial framework. The Overall Financial Capacity is to be drawn as follows:

23.9.1 the Shareholder will provide the Company with £7.7 billion of equity over time;

23.9.2 the Company will be able to borrow from HMT through fixed rate loan agreements and a floating rate facility, as well as any other facilities separately agreed between HMT and the Company (collectively the “HMT Loan Facilities”), and also private markets depending on the best value for money, as outlined in section 23.13 below;

23.9.3 the Company has taken over management of the UK Guarantee Scheme;

23.9.4 it will be able to issue up to £10 billion of guarantees.

23.10 The Company must ensure that, when making any investments or developing any products, it considers the proper legal basis upon which such spending will be incurred, having regard to the specific spending authority provisions set out above. The Company will consult HMT where appropriate with a view to ensuring that its conclusions in this regard are consistent with HMT’s accountability to Parliament.

23.11 The Annual Business Plan set out in section 23.3 should include a capital drawdown profile, which will be agreed with HMT.

23.12 Any further capitalisation or other financial assistance that may be given to the Company, including but not limited to any further capitalisation, loans or working capital facilities, will be provided under HMT’s legal powers, including common law powers, with the necessary spending authority being provided by section 1 of the Infrastructure (Financial Assistance) Act 2012, section 228 of the Banking Act 2009, section 50 of the United Kingdom Internal Markets Act 2020 and/or section 5 of the Act.

Loan facilities

23.13 Any loan facilities put in place should be reviewed and approved by the Board and comply with guidance set out in MPM (5.8 Borrowing by Public Sector Organisations and 5.9 External Borrowing) where relevant. The Company will be able to borrow from either the HMT Loan Facilities or private markets depending on the best value for money to the Exchequer as a whole. The cost of borrowing from HMT will be set by HMT. The Company shall obtain the Shareholder’s prior written approval before borrowing from private markets.

Return on equity

23.14 The Company differs from commercial actors in that its primary objective is to deliver against its specific public policy objectives (the Strategic Objectives), within a given level of risk and return.

23.15 HMT and the Company will agree a medium term (5 year) return target for

the Company.

Annual report and accounts

- 23.16 The Company must publish an annual report of its activities together with its audited accounts after the end of each financial year and the timing for production of such accounts shall accord with 'best practice' applicable to UK registered companies. The annual report and accounts will be produced each year and the relevant disclosures will be provided for consolidation into the HMT Group accounts in line with HMT Group accounts preparation timelines. The Company will also be subject to certain consolidation responsibilities, including the preparation of consolidation packs and any adjustments that may be required for any differences in accounting policies.
- 23.17 The Company will share a draft of the report narrative with the Shareholder Representative for review before it is signed off by the Board providing adequate time for such review and not less than five working days. A draft of the annual report and accounts should be submitted to the Shareholder four weeks before the proposed publication date. The final report should be submitted to the Shareholder immediately upon receipt of auditor approval, for endorsement. The Shareholder recognises that the finalised annual report is solely the responsibility of the Board. Publication will be dependent on other government and Company announcements but will be as soon as feasibly possible.
- 23.18 The accounts should be prepared in accordance with the relevant statutes in particular the Companies Act and specific accounts directions issued by HMT as well as HMT's FReM.
- 23.19 The annual report must:
- 23.19.1 cover any corporate, subsidiary or joint ventures under its control;
 - 23.19.2 comply with the FReM and in particular have regard to the illustrative statements for an NDPB¹⁵; and
 - 23.19.3 outline main activities and performance during the previous financial year and set out in summary form forward plans.
- 23.20 Information on performance against key financial targets shall be included within the annual report and accounts and subject to the auditor's consistency opinion. The annual report and accounts shall be laid in Parliament and made available on the Company's website, in accordance with the guidance in

¹⁵[Guidance on annual reports and accounts - GOV.UK.](#)

the FReM.

23.21 If the Company wishes to publish a document additional to its annual report and accounts that contains supplementary material including summary financial statements, these should comply with the requirements of sections 426 and 426A of the Companies Act. The summary data must not be published in advance of the full annual report and accounts being laid before Parliament as to do so would be a breach of parliamentary privilege.

23.22 If, due to exceptional circumstances, there is a conflict between the requirements of the Companies Act and the FReM, the Companies Act takes precedence. The Company should discuss the situation in the first instance with the Shareholder.

Reporting performance to the Shareholder

23.23 The Company shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans.

23.24 The Company shall inform the Shareholder Representative of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver policy priorities (in accordance with section 9.3.1), and the achievement of performance measures regularly.

Information sharing

23.25 The Shareholder Representative and the Shareholder have the right of access to all the Company records and personnel for any purpose including, for example, Shareholder audits and operational investigations.

23.26 The Company shall provide the Shareholder and the Shareholder Representative with such information about its operations, performance, individual projects or other expenditure as the Shareholder or Shareholder Representative may reasonably require.

23.27 With regards to individual projects, the Company shall provide the Shareholder and the Shareholder Representative with timely, relevant information in an appropriately sensitive fashion to support HMT communications in relation to Company deals.

23.28 With regards to the delivery of wider support schemes, including but not limited to supporting local authorities and government departments (such as the

Regional Project Accelerator), subject to applicable laws and regulations, the Company shall provide HMT and the Shareholder Representative with timely information, as and when requested, to support HMT engagement on policy and with relevant stakeholders.

23.29 In addition, the Shareholder may, where it considers it appropriate and proportionate, request further information or assurance from the Company regarding its activities, governance or risk management, and may, where necessary, require the Company to take reasonable steps in response to such requests.

23.30 The Company shall maintain a risk register to ensure smooth information flows on risk, including any material changes to its corporate risks, with HMT and the Shareholder Representative in a mutually agreed manner (for example, using the Quarterly Shareholder Meetings). The Company shall support the Shareholder Representative and HMT policy sponsorship team in ensuring that all material and relevant risks, and those with an impact on HMT, are reported on.

23.31 The Shareholder and Shareholder Representative may request the sharing of data held by the Company in such manner as is set out in central guidance except insofar as it is prohibited by law. This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.

23.32 The appointment letter for the Shareholder Representative Director shall contain further provisions relating to the sharing of confidential information between the Company, the Shareholder Representative Director and the Shareholder.

23.33 The Shareholder and the Shareholder Representative each acknowledge that they shall ensure that:

23.33.1 any information received or obtained from the Company (including any information provided in accordance with section 14.414) shall be treated as strictly confidential and commercially sensitive; and

23.33.2 any such information is treated with at least the same degree of care that it uses for its own confidential and commercially sensitive information.

23.34 As a minimum, the Company shall provide the Shareholder with information monthly that will enable the Shareholder satisfactorily to monitor:

23.34.1 the Company's cash management;

23.34.2 forecast outturn by resource headings;

23.34.3 other data required for the Online System for Central Accounting and Reporting (OSCAR); and

23.34.4 data as required in respect of its compliance with any Cabinet Office Controls pipelines or required in order to meet any condition as set out in any settlement letter.

24 Audit

Internal audit

24.1 The Company shall maintain an internal audit function (with or without external professional support) which will report to the Audit and Risk Committee and will cover (among other things) matters relating to risk management and internal controls within a framework set by the Audit and Risk Committee, which will include compliance with the terms of this Document. The Internal Audit Universe shall set out the frequency of audits, with a full internal audit opinion report produced at least annually. The scope and coverage are to be agreed with the Audit and Risk Committee. Significant audit findings shall be considered and if relevant incorporated into the Company's risk register, with progress on mitigation actions regularly reported to the Audit and Risk Committee and the Board.

24.2 Management shall work with internal audit services to propose and agree actions to address audit findings. The Audit and Risk Committee shall review and monitor management's responsiveness to findings and recommendations raised by Internal Audit Services and the Committee Chair will report to the Board in line with the Audit and Risk Committee's Terms of Reference.

24.3 The AO will send the HMT PAO an annual assurance letter every year. This should include an evidence-based view from the work of the Internal Audit Function and the Risk Function on the robustness of the internal control environment.

24.4 The Company shall ensure that arrangements for the Internal Audit function are in accordance with the prevailing standards (from time to time) as published by the Institute of Internal Auditors. In addition, the Company shall ensure that relevant and up to date industry specific guidance such as the Government Functional Standard for Internal Audit¹⁶ will also be considered.

External audit

¹⁶ [Government Functional Standard GovS 009: Internal Audit - GOV.UK](#)

- 24.5 The Company will arrange for audit of its accounts in accordance with the Companies Act, subject to the approval of the Shareholder. As at the date of this Document, the Comptroller and Auditor General (the "C&AG"), operating through the National Audit Office, is appointed as the Company's external auditor.
- 24.6 The Shareholder and the Company shall provide, in conditions to any grants or contracts, for the external auditor to exercise such access to documents held by grant recipients, contractors or sub-contractors as may be required for its audit and examinations; and shall use its best endeavours to secure access to any other documents required by the external auditor which are held by other bodies.
- 24.7 The Company, on receipt of the certified copy of the annual report and accounts from the National Audit Office, provides this to the Shareholder who will lay the annual report and accounts together with the C&AG's report before Parliament.
- 24.8 The C&AG:
- 24.8.1 will consult with the Shareholder and the Company on who – the NAO or a commercial auditor – shall undertake the audit(s) on their behalf, though the final decision rests with the C&AG;
 - 24.8.2 has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from the Company;
 - 24.8.3 will share with the Shareholder information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Shareholder's responsibilities in relation to financial systems within the Company; and
 - 24.8.4 will consider requests from departments and other relevant bodies to provide regulatory compliance reports and other similar reports at the commencement of the audit. Consistent with the C&AG's independent status, the provision of such reports is entirely at the C&AG's discretion.
- 24.9 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the Company has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the Company shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors or sub-contractors as may be required for these examinations; and

shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

25 Review of Company's status

25.1 The Company will be reviewed as part of the wider Public Bodies Reviews programme, at a time determined by HMT's ministers and their PAO.

26 Arrangements in the event that the Company is wound up

26.1 The Shareholder intends for the Company to be a long-lasting institution. The parties should act at all times with that intent in mind.

26.2 Nevertheless, in the event it is determined appropriate and necessary the Shareholder and the Shareholder's Representative shall put in place arrangements to ensure the orderly winding up of the Company or an appropriate transfer of its business if required in future circumstances (such as a change in government or in government policy). In particular it should ensure that the assets and liabilities of the Company are passed to any successor organisation and accounted for properly. In the event that there is no successor organisation, the assets and liabilities should revert to the Shareholder.

26.3 To this end, the Shareholder shall:

26.3.1 have regard to Cabinet Office guidance on winding up of ALBs;

26.3.2 ensure that procedures are in place in the Company to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;

26.3.3 specify the basis for the valuation and accounting treatment of the Company's assets and liabilities;

26.3.4 ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that, for non-Crown bodies funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with their report on the accounts; and

26.3.5 arrange for the most appropriate person to sign the closing accounts. In the event that another company takes on the Company's role, responsibilities, assets and liabilities, the succeeding entity AO should sign the closing accounts. In the event that the Shareholder inherits the role, responsibilities, assets and liabilities, the PAO should sign.

26.4 The Shareholder and the Shareholder Representative will use their best endeavours to agree the arrangements, and when they have done so will provide a copy of them to the Company.

26.5 If it appears likely that the arrangements referred to above will need to be put into practice, the Company shall provide the Shareholder in a timely manner with full details of all agreements where the Company or its successors have a right to share in the financial gains realised through a project, together with details of any other forms of claw-back due to the Company.

Annex A: Guidance

In addition to the provisions of the main body of this Document, the Company shall adopt the relevant principles set out in the following general guidance, documents and instructions where appropriate as they apply to the Company and unless an exemption has been agreed:

Corporate governance

- This Document
- Corporate Governance Code for Central Government Departments (relevant to Arm's Length Bodies) and supporting guidance: <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>
- Code of conduct for Board members of Public Bodies: <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies> (which also covers conduct in the role and includes the Nolan Principles of Public Life: <https://www.gov.uk/government/publications/the-7-principles-of-public-life>)
- Code of practice for partnerships between Departments and Arm's Length Bodies: <https://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice#:~:text=This%20code%20of%20good%20practice,partnership%20approach%20to%20shaping%20relationships.>
- 12 Principles of Governance for all Public Body NEDs: <https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-neds>

Financial management and reporting

- Managing Public Money (MPM) (and relevant associated or supplementary guidance): <https://www.gov.uk/government/publications/managing-public-money>
- Financial Transactions Control Framework
- <https://www.gov.uk/government/publications/financial-transaction-control-framework>
- Government Financial Reporting Manual (FReM): www.gov.uk/government/collections/government-financial-reporting-manual-frem
- Relevant Dear Accounting Officer (DAO) letters: www.gov.uk/government/collections/dao-letters
- Relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts: <https://www.gov.uk/government/collections/whole-of-government-accounts>
- The most recent letter setting out the delegated authorities, issued to the AO by HMT.

Management of risk

- Management of Risk: www.gov.uk/government/publications/orange-book and <https://www.gov.uk/government/publications/management-of-risk-in-government-framework>
- Public Sector Internal Audit Standards: [Government Functional Standard GovS 009: Internal Audit](http://www.gov.uk/government/publications/government-functional-standard-govs-009-internal-audit)

[- GOV.UK](#)

- HMT approval processes for Major Projects above delegated limits:
<https://www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects>
- The Government cyber-security strategy and cyber security guidance: [Government Cyber Security Strategy: 2022 to 2030 - GOV.UK](#) and <https://www.gov.uk/government/collections/cyber-security-guidance-for-business>

Commercial management

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

Public appointments

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

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

Staff and remuneration

- HMT guidance for approval of senior pay:
www.gov.uk/government/publications/senior-civil-service-pay-and-reward
- Civil Service pay guidance (updated annually): [Civil Service Pay Remit Guidance 2025 to 2026 - GOV.UK](#)
- Public sector pay and terms: <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>
- Whistleblowing Guidance and Code of Practice:
<https://www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers>

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

General

- Freedom of Information Act guidance and instructions: www.legislation.gov.uk/ukpga/2000/36/contents and <https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration: <https://www.ombudsman.org.uk/about-us/our-principles>
- Other relevant instructions and guidance issued by the central Departments (Cabinet Office and HMT) and notified to the Company from time to time.
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and are relevant to the Company.
- Guidance from the Public Bodies team in Cabinet Office: [Public bodies - GOV.UK](http://Public%20bodies%20-%20GOV.UK)
- The Civil Service diversity and inclusion strategy (outlines the ambition, to which Arm's Length Bodies can contribute): <https://www.gov.uk/government/publications/civil-service-diversity-and-inclusion-strategy-2022-to-2025>
- Guidance by the National Infrastructure and Service Transformation Authority and Cabinet Office on management of major projects: [Project and programme management - GOV.UK](http://Project%20and%20programme%20management%20-%20GOV.UK)
- The Government Digital Service: www.gov.uk/government/organisations/government-digital-service
- Guidance by the Government Grants Management, Public Sector Fraud and Debt Management functions ; [Grants Management Function - GOV.UK](http://Grants%20Management%20Function%20-%20GOV.UK) and [Public Sector Fraud Authority - GOV.UK](http://Public%20Sector%20Fraud%20Authority%20-%20GOV.UK) and [Government Debt Management Function - GOV.UK](http://Government%20Debt%20Management%20Function%20-%20GOV.UK)
- Code of Practice for Official Statistics: <https://code.statisticsauthority.gov.uk/#:~:text=The%20Code%20of%20Practice%20for%20Statistics%20sets%20the,produced%20by%20people%20and%20organisations%20that%20are%20trustworthy.>
- Accounting Officer System Statements (AOSS are produced by departments with input from ALBs): [Accounting officer system statements - GOV.UK](http://Accounting%20officer%20system%20statements%20-%20GOV.UK)

Annex B: Shareholder Representative role

The UKGI Shareholder Representative Role consists of the following activities:

Establish and maintain appropriate and effective corporate governance foundations which govern the HMT-Company relationship

1. work with HMT and the Company to establish and maintain appropriate corporate governance documents and systems, through up to date and fit for purpose governance documents, including this Document, Articles of Association where relevant, Board Terms of Reference, Chair's letter.

Promote effective objectives, business planning and performance against annual business plan

2. assess and challenge the Company's Annual Business Plan from an owner's perspective, advising HMT and the responsible minister on the clarity of the objectives, the quality of the Annual Business Plan and the financial, and where relevant commercial, strength underpinning it, and its effectiveness as a tool for the Company.
3. monitor and challenge the Company and its Board as to the performance against its Annual Business Plan or equivalent document, in terms of how the Company is performing as an organisation (as opposed to monitoring the success of the policy delivery itself) and advise the minister accordingly.
4. challenge the Company's business cases and other HMG approvals outside the Company's delegated authorities through the Shareholder Representative Director's position on the Company's Board *only*. This will be limited to the degree of challenge that any non-executive board member can provide. UKGI is not responsible for formally reviewing business cases or transactions, providing advice to HMT and ministers, or obtaining HMG approval for business cases, unless explicitly agreed otherwise.

Promote strong corporate capability

5. through the UKGI shareholder team, as well as the Shareholder Representative Director on the Company's Board, promote the strength of the Company's governance systems which support organisational performance, by providing high level challenge to the Company (and its Board), and comment to HMT, on:
 - a. governance framework compliance – defined as the Company's view on its compliance with its governance framework (as set out in this Document, delegated authorities, and any other specified governance documents), and
 - b. the adequacy and strength of the Company's reporting to HMT on these issues.

Promote effective leadership (high quality boards and senior management)

6. promote and advise HMT on the **effectiveness of the Company's leadership**, specifically through:
 - a. promoting high quality and diverse boards, challenging the Board's capability and effectiveness, and monitoring succession planning
 - b. advising HMT and ministers on and implementing effective board composition, recruitment, remuneration and appointment processes
 - c. acting as shareholder representative non-executive director on the Company's Board
 - d. giving a view on the Company's Board level executive capability in relation to its responsibilities, and remuneration

Promote effective relationships between HMT and the Company

7. support effective relationships between HMT and the Company, including through:
 - a. (UKGI) building effective relationships with the Company's Board and senior management
 - b. promoting effective interfaces and communications between HMT and the Company, including through regular shareholder meetings
 - c. maintaining an effective regular meeting "rhythm" with the Company chair, Board and executive to ensure appropriate flow of information (management information) between the Company, UKGI and HMT, including effective reporting to HMT.

Supporting and supplementing the activities above by providing a Shareholder Representative Director on the Company's Board

8. act as shareholder's representative on the Company's Board, through:
 - a. providing an appropriately skilled board member to carry out the non-executive director role effectively, drawing on the support and analysis from the UKGI shareholder team
 - b. being a member of the Company's Remuneration, Audit and Risk and Nominations Committees
 - c. acting as an interlocutor between HMT and the Company's Board
 - d. providing a view to HMT on the strength of the Company's Board

HM Treasury contacts

This document can be downloaded from www.gov.uk

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