Gov Facility Services Limited

RAG/GUI/007 rev 1
BOARD OPERATING FRAMEWORK
Issue date: 13 November 2026
Risk Assurance and Governance

Document Information

Owner	Company Secretary	Sponsor	Board Chair	Review Frequency	12-Months

Guidance

1. The purpose of this document is to set out the responsibilities of the GFSL Board and the rules under which it operates. This document is a guide, the original responsibilities and rules are set out in the Articles of Association, supported by the Ministry of Justice (MoJ) (the Department)/GFSL framework document and the Companies Act.

2. The Company's overarching purpose is to:

    - provide facilities management services ("FM Services") to the Government estate of Her Majesty's Prison and Probation Service (the "Estate")
    - deliver the objectives as set out in the Articles; and
    - deliver strategic projects as requested by the Department.

3. The Company shall operate in a way that is consistent with the Government's policy objectives.

4. The Framework Document describes the governance and accountability framework that applies between the Secretary of State for Justice (the "Secretary of State") (as sole member of the Company) and the Company; sets out how the day to day relationship works in practice, including management and financial matters, and develops the arrangements established in the Articles; and shall continue for as long as the Secretary of State remains the sole member of the Company.

THE COMPANY'S LEGAL ORIGINS & SHAREHOLDING

5. The Company is a company limited by shares incorporated in England and Wales (registered number 11061429), whose registered office is at 102 Petty France, Westminster, London, SW1H 9AJ.

6. The entire issued share capital of the Company is held by the Secretary of State. Relationships between the Company and the Secretary of State will be founded on professionalism, efficiency, and mutual trust.

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7. The Secretary of State is committed, subject always to the Articles, to giving the Board the freedom to operate the Company. Decisions on the day-to-day management of the Company will be taken by the Board in accordance with its statutory, common law and fiduciary duties and in accordance with the Articles.

THE BOARD

8. The role of the Board is to run the Company as provided by the Framework Document and in accordance with the Articles, and in particular to deliver the Company's strategic objectives and the overarching Government objectives.

9. Subject to the provisions of the Articles, and in particular the Reserve Powers, the Board Chair is responsible for:

    - taking forward the strategic aims and objectives of the Company consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State (including the development, updating and approval of the Company's budget and business plans);
    - ensuring that the Secretary of State is kept informed of any changes which are likely to impact on the strategic direction of the Board or on the attainability of its targets, and determining the steps needed to deal with such changes;
    - 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 statutory authority and any delegated authority agreed with the Department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by the Department;
    - receiving and reviewing regular financial information concerning the management of the Company; ensuring procedures are in place so that it (the Board) is informed in a timely manner of any concerns about the activities of the Company; and providing positive assurance to the Department that appropriate action has been taken on such concerns;
    - demonstrating high standards of corporate governance at all times, including by using the committees established by the Board, as further detailed in clause 9.12, to help the Board to address key financial and other risks;
    - setting performance objectives for the Chief Executive Officer which give due weight to the proper management and use and utilization of public resources;

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- providing entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed;
- ensuring the financial and human resources are in place for the Company to meet its strategic objectives;
- setting the Company's values and standards and ensuring that its obligations to the Secretary of State, the Department and other stakeholders are understood and met; and
- as required, fully cooperating with requests from all relevant Parliamentary committees for scrutiny, requests from the Parliamentary Commissioner for Administration and otherwise to assist.

Subject to the provisions of the Articles, and in particular the Reserve Powers, the Executive Directors are responsible for:

- scrutinising and holding to account the performance of management against agreed performance objectives
  and the CEO is responsible for, in consultation with the Non-Executive Directors:
- scrutinising and holding to account individual executive directors against agreed performance objectives

BOARD COMPOSITION

10. The Board is a unitary (one-tier) Board with Executive and Non-Executive Directors all equal members of that single decision-making Board. The Board comprises the Chairperson, who is also a Non-Executive Director, the Non-Executive Directors, the Chief Executive Officer and such other executive directors whose appointment is made from time to time in accordance with the Articles.

11. The number of directors is not subject to any maximum, however it is intended that, at any one time, there is no less than one director nominated by the Secretary of State.

12. In accordance with the UK Corporate Governance Code (the “Code”) the Board shall appoint one of the independent Non-Executive Directors to be the "senior independent director" in order to fulfil the role described in the Code.

13. In accordance with the Corporate Governance Code at least half the board, excluding the chair, should be non-executive directors whom the board considers to be independent, and this balance must be achieved for any Board decisions.

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THE ROLE OF THE CHAIRPERSON

14. The Chairperson is responsible to the Secretary of State. Communications between the Board and the Secretary of State should normally be through the Chairperson. He or she is responsible for ensuring that policies and actions of the Company support the Secretary of State's wider strategic policies (where applicable) and that the Company's affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout the Company.

15. In addition, the Chairperson has the following leadership responsibilities:

- to engage with the CEO to gain an overview of the Company's business plan and its delivery
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the Secretary of State or the Department;
- promoting the efficient and effective use of staff and other resources;
- delivering high standards of regularity and propriety; and
- representing the views of the Board to the general public.

16. The Chairperson shall also ensure that:

- the work of the Board and its members are reviewed and are working effectively. The Chairperson will discuss the Board composition with the Department from time to time and agree such actions as may be necessary as a result of such discussions;
- the Board has a balance of skills appropriate to directing the Company's business, as set out in the Government Code of Good Practice for Corporate Governance;
- Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- he or she, together with the other Board members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the Secretary of State is advised of the Company's needs when Board vacancies arise;
- he or she assesses the performance of individual Board members when being considered for re-appointment;

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- there is a 'Board Operating Framework' in place setting out the role and responsibilities of the Board consistent with the Government Code of Good Practice for Corporate Governance; and
- there is a code of practice for board members in place, consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies.

INDIVIDUAL BOARD MEMBERS' RESPONSIBILITIES

17. Individual Board members shall:

- comply at all times with the Articles and the requirements imposed upon directors of companies by law;
- comply at all times with the Cabinet Office Code of Conduct for Board Members of Public Bodies and with the rules relating to the use of public funds and to conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or for political profit, or seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments; and
- act in good faith and in the best interests of the Company.

BOARD COMMITTEES

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

19. The Board will set up committees to deal with Audit and Risk Assurance Committee (ARAC), Remuneration and Health and Safety issues.

20. The membership and terms of reference of each committee shall be determined by the Board and reviewed by the Board at least bi-annually except that:

- the directors shall ensure that any committee shall include, as a minimum, at least one Non-Executive Director; and
- the quorum for a meeting of any committee shall be not less than three (3) committee members, of which one must be a Non-Executive Director - with the exception of the ARAC as the quorum will be three members of the committee, who will all be Non-Executive Directors.

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21. The Audit and Risk Assurance committee is responsible for monitoring, oversight and advice to the Board for financial reporting, external and internal audit, internal control and risk, whistleblowing procedures and compliance. A suitably qualified director of the Company will be appointed by the Board as the chair of the Audit and Risk Assurance committee.

22. The Remuneration committee is responsible for oversight of the executive and staff terms and conditions of employment in accordance with its terms of reference. It is responsible for setting remuneration within the framework agreed by the Department for all employees.

23. The Health and Safety committee is responsible for the safety management of the Company, in compliance with all necessary health and safety policies and laws.

24. Full terms of each Board Committee can be found in Annex 1.

RESERVED MATTERS

25. The Secretary of State is answerable to Parliament for all matters concerning the Company and has therefore the following exclusive rights as "Shareholder Reserved Matters":

- appointment of the Company's Chairperson;
- appointment of the Company's Chief Executive Officer;
- appointment of the Non-Executive Directors;
- approving the Company's forward strategy or high-level priorities; and
- approval of the Company's budget and funding.

26. At the request of the Secretary of State, the Board shall:

- meet representatives of the Department to discuss the affairs of the Company; and
- provide such information in relation to the affairs of the Company as the Department and/or the Secretary of State may reasonably require.

CORPORATE AND BUSINESS PLANS

27. The Executive will prepare a forward-looking business plan setting out the Company's strategic objectives and their delivery. The Business Plans, including the strategic objectives, will be developed and updated regularly by the Executive

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(at such frequencies as it deems appropriate), such developments and updates to be reviewed and approved by the Board.

28. Amongst other things, each Business Plan shall include:

- high level financial information with forecasts for the finances of the Company, including profit and loss, cash flow, revenue and costs;
- key targets and milestones for the year immediately ahead, and the strategy for achieving those, which shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the Department;
- key non-financial performance targets;
- details of the Company's strategy, corporate governance and risks and opportunities;
- a demonstration as to how the Company contributes to the achievement of the Department's priorities; a review of performance in the preceding financial year, together with comparable outturns for previous years, and an estimate of performance in the current year;
- alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
- other matters as agreed between the Department and the Company.

ANNUAL REPORT AND ACCOUNTS

29. The Board shall publish an annual report of its activities together with its audited accounts after the end of each financial year. The Company shall provide the Department its finalised (audited) accounts by the agreed audit timeline (and, if possible, before the summer recess commences) each year.

30. The annual report and accounts must:

- cover any corporate, subsidiary or joint ventures under its control;
- comply with statutory requirements as detailed in the Companies Act 2006 and any other relevant legislation (as amended or replicated from time to time);
- comply with the Financial Reporting Manual (FReM);
- apply International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as adapted and interpreted

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by HM Treasury's Financial Reporting Manual and in accordance with the Financial Delegation Letter to the Accounting Officer; and

- outline main activities and performance during the previous financial year and set out in summary form forward plans.

31. Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts.

32. The report and accounts shall be laid in Parliament in accordance with the guidance in the FReM and made available on the Company's website.

33. A draft of the report shall be submitted to the Department before the proposed publication date.

34. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the Department as well as the FReM.

Revision History

Revision Number	Revision Date	Description of Change	Changed by
	11.12.24	First issue	Richard Short
1	28/02/25	Now stipulated all members of ARAC must be present for there to be a quorum	Richard Short
1	28/02/25	Change of document name from Board Framework Agreement to Board Operating Framework	Richard Short
1	12/11/2026	Review at Board meeting with no changes	Lindsey Carling

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ANNEX 1 – Terms Of Reference for The Board Committees

- Audit and Risk Assurance Committee
- People & Remuneration Committee
- Health and Safety Committee

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