Department for Business, Innovation, Science and Trade

British Steel Limited Framework Document

November 2026

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Introduction and background

1. Purpose of document

1.1. This framework document (the "framework document") has been agreed between the Department for Business, Innovation, Science and Trade ("BIST" or the "Shareholder"), UK Government Investments Limited ("UKGI" or the "Shareholder Representative") and British Steel Limited (the "Company") in accordance with HM Treasury's handbook Managing Public Money[1] ("MPM") (as updated from time to time) and has been approved by HM Treasury.

1.2. The framework document sets out the broad governance framework within which the Company and BIST operate. It:

- sets out the Company's core responsibilities
- describes the governance and accountability framework that applies between the roles of the BIST, the Company and UKGI
- sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters, developing the framework established in the Articles of Association of the Company (the "Articles"), the shareholder reserved matters and delegated authorities

1.3. The document does not convey any legal powers or responsibilities but both parties agree to operate within its terms.

1.4. 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.

Amendment to and interpretation of this document

1.5. Any amendment, update or replacement of any provision of this document shall be agreed by the parties, from time to time, in writing and must be consistent with the Articles (as may be amended, updated or replaced from this date).

1.6. This framework document should be reviewed regularly and updated at least every 3 years unless there are exceptional reasons that render this inappropriate that have been agreed with HM Treasury and the Principal Accounting Officer (PAO) of the Shareholder. The latest date for review and updating of this document is November 2029.

1.7. References to (including extracts and summaries of) a statute or statutory provision include and shall be read as a reference to that statute or provision as from time to time modified, re-enacted or consolidated whether before or after the date of this document, and any subordinate

[1] https://www.gov.uk/government/publications/managing-public-money

legislation made from time to time under that statute or statutory provision which is in force at the date of this document.

1.8. References to the Company in this document shall also be taken to include any subsidiaries, joint ventures or associate undertakings of the Company which are classified to the public sector over which it exercises effective control..

2. Objectives

2.1. BIST and the Company share the common objective of delivering a modern and competitive steel manufacturer that supports the UK Steel Strategy[2] with a long-term future, including exploring possible options for private sector investment. To achieve this the Company and the BIST will work together in recognition of each other's roles and areas of expertise, providing an effective environment for the Company to achieve its objectives through the promotion of partnership and trust and ensuring that the Company supports the strategic aims and objective of BIST and wider government as a whole.

3. Classification and ownership

3.1. The Office for National Statistics classified the Company to the public non-financial corporations subsector in June 2025. HMT Treasury Classifications team have indicated that the basis for ONS making this decision appears to be unchanged; acquisition alone will not change this.

3.2. The Company is a private company limited by shares incorporated in England and Wales whose registered office address is British Steel, Administration Building, Brigg Road, Scunthorpe, North Lincolnshire, England, DN16 1XA. The Company is wholly owned by the Secretary of State for BIST. The Company is governed by the requirements of and the obligations created by the Companies Act 2006 and successor legislation.

3.3. The Shareholder does not have any involvement in the day-to-day operations of The Company, save to the extent that the Shareholder shall appoint one or more Shareholder Director(s), from the Shareholder and/or the Shareholder Representative, to sit as a non-executive director on the Company's board (the "Board"). While the Board retains operational control, it is accountable to the Shareholder for the performance of the Company and is required to seek consent for certain matters as set out in this document.

[2] https://www.gov.uk/government/publications/steel-strategy/the-uk-steel-strategy-web-version

Purpose, aims and duties

4. Purposes

4.1. The Company's primary purpose is to produce steel. The Company produces and supplies steel products for use across several key sectors across the UK and abroad.

5. Powers and duties – Not used

6. Aims

6.1. The Shareholder has agreed with the Board the following strategic aims (the "Strategic Aims") for the Company.

6.2. The Company's Strategic Aims are to:

- Operate safely and compliantly by prioritising safe operations and ensuring full adherence to all relevant regulations and standards across the business;
- Deliver a financially sustainable and resilient long-term business that makes best use of its assets, including property assets, with the intention of securing private investment;
- Modernise and decarbonise production by transforming to greener steelmaking and upgrading facilities to improve efficiency, reliability and environmental performance;
- Strengthen market competitiveness and profitability by delivering high-quality products, deepening customer relationships, and taking a strategic, evidence-based and market-led approach to sales; and
- Build and retain a skilled, diverse, and appropriately sized workforce by attracting, investing in and retaining critical expertise, developing future skills and partnering locally to support jobs.

6.3. The Shareholder expects the Company's strategy (the "Strategic Plan") and annual business plan (the "Annual Business Plan" and together with the Strategic Plan, the "Business Plans") to set out how the Company intends to deliver the above Strategic Aims for the relevant planning period, as agreed with the Shareholder.

Governance and accountability

7. Governance and accountability

7.1. The Company shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this framework document or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.

7.2. In particular (but without limitation), the Company should:

- comply with the principles and provisions of the Financial Reporting Council's UK Corporate Governance Code[3] (as amended and updated from time to time) to the extent appropriate to the Company or specify and explain any non-compliance in its annual report, and notify the Shareholder in advance
- take into account and comply with, the codes of good practice and guidance set out in Annex A of this framework document, as they apply to the Company

[3] https://www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code

Role of the department as Shareholder

8. The Responsible Minister

8.1. The Secretary of State for Business, Innovation, Science and Trade has ministerial responsibility for the Company, although they may delegate this responsibility to a junior Minister, the Minister for Re-industrialisation (the "Responsible Minister"). The Responsible Minister will account for the Company on all matters concerning the Company in Parliament.

9. Shareholder appointments

9.1. The Shareholder shall have the following appointment and approval rights in relation to the Company's Board:

- **Chair:** The appointment shall be made by the Shareholder. The appointment process will be led by UKGI and approved by the Responsible Minister. This appointment must comply with the Governance Code on Public Appointments.
- **Non-Executive Directors, excluding the Chair:** The Board shall appoint the other directors on the advice of the Nominations Committee, subject to the prior written consent of the Shareholder. UKGI will be consulted on the overall recruitment process, including the proposed terms (including proposed remuneration) and conditions of appointment, before that process begins. The Shareholder Non-Executive Director (defined below) will be a member of the recruitment panel. The request to the Shareholder for approval of the final appointment should be accompanied by a justification. This process also applies to proposals to re-appoint non-executive directors, and to the appointment of interim non-executive directors;
- **Shareholder Non-Executive Director(s):** the Shareholder will nominate one or more senior employee(s) of the Shareholder and/or the Shareholder Representative as a non-executive on the Board (the "Shareholder Director"). The Shareholder Director(s) will make provision for the appointment of alternate(s) for such Shareholder Director(s) (each a "Alternate Shareholder Director") as required.
- **Chief Executive Officer (CEO):** The Board shall appoint the CEO on the advice of the Nominations Committee, subject to the prior written consent of the Shareholder. The CEO shall be a permanent employee of the Company, appointed through a process that adheres to best practice guidance for appointments in being open, fair and transparent. The request to the Shareholder for approval of the final appointment should be accompanied by an explanation in writing as to why such appointment is recommended by the Board. This process also applies to proposals to appoint an interim CEO.

- **Executive Directors:** The Board shall appoint any other executive directors on the advice of the Nominations Committee, subject to the prior written consent of the Shareholder. UKGI should also be consulted on the overall recruitment process, including the proposed terms and conditions of appointment, before that process begins.

- In respect of appointments which are caught by the HMT Guidance for Approval of Senior Pay (the "Senior Pay Guidance")[4], the Company shall secure the Chief Secretary to the Treasury's (the "CST") approval in advance of the remuneration for the position being advertised.
- In each case above, the Board will give legal effect to the appointment.
- The Shareholder also reserves the right to appoint and remove any person as a director of the Company by notice in writing.

9.2. All such appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint Boards which include a balance of skills and backgrounds.

10. Other Shareholder reserved matters

10.1. The Shareholder will review and, if in agreement, give prior written approval to the "Shareholder reserved matters" as set out in Article 4 of the Company's Articles of Associations.

10.2. At the reasonable request of the Shareholder, the Directors shall:

- meet the Shareholder or the Shareholder Representative to discuss the affairs of the Company
- provide such information in relation to the affairs of the Company as the Shareholder may reasonably require

10.3. The Shareholder is committed to giving the Board the freedom to operate the Company in line with the spirit of this framework document. Decisions on the day-to-day management of the Company will be taken by the Board in accordance with their statutory, regulatory, common law and fiduciary duties.

11. The Principal Accounting Officer (PAO)

11.1. The PAO is the Permanent Secretary of BIST.

11.2. The PAO is accountable to parliament for the issue of any grant-in-aid to the Company.

PAO's specific accountabilities and responsibilities

11.3. The PAO is responsible for advising the Responsible Minister on:

- an appropriate framework of objectives and targets for the Company in the light of the department's wider strategic aims and priorities
- an appropriate budget for the Company in the light of the Shareholder's overall public expenditure priorities
- how well the Company is achieving its Strategic Aims and whether it is delivering value for money

[4] Guidance_for_the_approval_of_senior_pay_senior_pay_controls_process_November_2025.pdf

- via the Shareholder Representative, the exercise of the Ministers' statutory responsibilities concerning the Company as outlined above

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

- monitor the Company's activities and performance
- address significant problems in the Company, making such interventions as are judged necessary
- periodically carry out an assessment of the risks both to BIST and the Company's objectives and activities in line with the wider BIST risk assessment process
- inform the Company of relevant government policy in a timely manner
- bring ministerial or departmental concerns about the activities of the Company to the Board, and, as appropriate to the departmental board, requiring explanations and assurances that appropriate action has been taken

12. The role of the Shareholder Representative

12.1. UKGI, as Shareholder Representative, is responsible for discharging the responsibilities of the Shareholder and are the primary contact between the Shareholder and the Company. They are the main source of advice to the Responsible Minister and the PAO on the discharge of their responsibilities in respect of the Company. Therefore, the Company should engage with the Shareholder Representative as the initial point of contact between the Company and the Shareholder.

12.2. As Shareholder Representative, UKGI will, as set out in Annex B to this framework document:

- establish and maintain appropriate and effective corporate governance foundations which govern the relationship between the Shareholder, the Shareholder Representative and the Company;
- promote effective objectives, business planning and performance against the Strategic Plan;
- promote strong corporate capability;
- promote effective leadership (high quality boards and senior management);
- promote effective relationships between the Shareholder and the Company; and
- support and supplement the activities outlined above by providing an experienced non-executive director on the Board (the Shareholder Director)

13. The role of the policy sponsorship team

13.1. The Responsible Minister is the government policy sponsor of the Company.

13.2. The BIST British Steel Policy Sponsorship Team in BIST is the primary contact for the Company. The responsible senior civil servant for this relationship is BIST British Steel Policy Sponsorship Director. The BIST British Steel Policy Sponsorship Team advises and, as appropriate, acts on behalf of the Responsible Minister on relevant government policy developments and responding to requests from the Company to provide a policy perspective on the Company's activities and plans. The team is also responsible for managing requests for government funding from the Company, working closely with BIST Finance.

13.3. The BIST British Steel Policy Sponsorship Team's role includes:

- advising the Company of relevant policy and guidance in a timely manner, including setting the Company clear Strategic Aims to deliver government policy objectives
- advising the Responsible Minister on the Company's progress against the agreed policy objectives
- engaging closely with the Company and other government departments on wider policy developments and cross-government priorities impacting on, or affected by, the work of the Company so as to ensure the Company's activity is consistent with the wider government policy framework
- facilitating the Company's access to Government on policy matters as required
- responding to Parliamentary scrutiny, correspondence and reporting requirements
- ensuring ministers and senior officials are briefed on live issues and key risks
- managing requests for government funding, working closely with other BIST functions including Finance, Analysts and Legal, including any agreed business-case approvals where the Company requires additional funding or other approval beyond its agreed funding or delegations, including:
    - identifying with the Company which business cases require approval by BIST and/or HMT
    - advising the Company on the standards for business cases required by HMG
    - reviewing and providing feedback to the Company as it develops business cases
    - guiding the Company on the submission and progression of business cases through BIST and HMT approvals processes
    - providing related advice to the PAO and Responsible Minister
    - managing departmental and HMT consideration of business cases expeditiously and without undue delay
- managing Subsidy Control Act 2022 compliance (including engaging with and referrals to the Subsidy Advice Unit where required)
- on projects and programmes of high strategic importance where funding is overwhelmingly or exclusively provided by BIST, ensuring monitoring, assurance and direct support to help the Company in delivery of the project or programme

13.4. To ensure that the Company does not receive conflicting instructions from the Shareholder, the Shareholder Representative and BIST British Steel Policy Sponsorship Team will work together to ensure clarity and consistency in respect of departmental advice, decisions and instructions.

13.5. The Shareholder Representative has no role in policy. The clear separation of the Shareholder Representative function from the policy function ensures clarity and transparency in decision making as between the sponsorship functions of corporate governance and policy.

13.6. The Shareholder Representative will work with the BIST British Steel Policy Sponsorship Team and BIST Partnerships Team to support the application of sponsorship best practice to enable the BIST Partnerships Team to provide the necessary assurance to the PAO.

14. Resolution of disputes between the Company and Shareholder

14.1. 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 in the first instance, through UKGI. If this is not possible, then a formal process, through the performance monitoring process outlined in sections 36-37 will be used to resolve the issue. Failing this, the matter may be escalated to the PAO to review, and agree an approach to mediate the dispute, in consultation with the Shareholder.

15. Freedom of Information requests

15.1. As per the Modification of the Law (British Steel Limited Property Transfer) Regulations 2026, for all the while that the Company is wholly owned by the Secretary of State or by a group undertaking wholly owned by the Secretary of State, the Company is not to be treated as a publicly-owned company for the purposes of section 3(1)(b) of the Freedom of Information Act 2000, or to holding information, for the purposes of section 3(2)(b) of that Act, on behalf of (i) any government department within the meaning of paragraph 1 of Schedule 1 to that Act, or (ii) UK Government Investments Limited.

15.2. However, the parties acknowledge that the Freedom of Information Act 2000 may apply to information disclosed by the Company to the Shareholder.

15.3. Where a request for information is received by the Shareholder under the Freedom of Information Act 2000, or the Data Protection Act 1998 or 2018, for information that the Shareholder holds which has been disclosed to it by the Company, the Shareholder will consult with the Company prior to any disclosure of that information.

16. Reporting on legal risk and litigation

16.1. The Company shall provide a quarterly update to the Shareholder on the existence of any active litigation and any threatened or reasonably anticipated litigation. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the Shareholder in a timely manner.

16.2. In respect of each substantial piece of litigation involving the Company, the parties 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, the parties will ensure that:

- material developments in the litigation are communicated to the Shareholder in an appropriate and timely manner
- legally privileged documents and information are clearly marked as such
- individual employees handling the legally privileged documents are familiar with principles to which they must adhere to protect legal privilege
- circulation of privileged information within government occurs only as necessary

The Company's governance structure

17. Responsibilities of the Company's CEO as the "Accountable Person"

17.1. The PAO has designated the Company's CEO as the Company's Accountable Person[5].

17.2. The PAO expects the CEO as the Company's Accountable Person to take personal responsibility for running the Company.

17.3. The Shareholder recognises that as a public corporation operating in commercial markets, the Company needs to take investment and other financial decisions in accordance with commercial practices.

17.4. Public corporations are not subject to MPM as a matter of course. However, the following levels of control and governance are set out in this framework document, the Articles and the letter from BIST to the Company's CEO as the Company's Accountable Person, together with the delegations of financial authority from BIST to the Company. These specifically include the following sections of MPM which are applicable to the Company as a public corporation:

- the principles of regularity, propriety, value for money and feasibility set out in MPM;
- The principles, obligations and standards that the organisation must following in relationship to governance, decision making and financial management, as per MPM Money Box 3.1; andThe provisions of MPM which refer specifically to public corporations

17.5. Where there are inconsistencies between the principles of MPM and the Company's ability to discharge its duties or operate commercially and effectively, this should be brought to the attention of the Shareholder Director(s) (and the PAO) in writing as soon as possible.

17.6. A full outline of the responsibilities of the CEO can be found in their letter of appointment set out in Annex C.

18. Responsibilities of Accountable Person to Parliament

18.1. Responsibilities of the Company's Accountable Person to Parliament and the public include:

- signing the 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 directions issued by the Secretary of State for Business, Innovation, Science and Trade
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts

[5] The PAO will designate the AP, who is typically the CEO but may be any postholder the PAO deems the most senior executive in the organisation. Where the CEO is referenced as the AP in this document, that reference can be interchanged with whomever the PAO has appointed as AP.

- ensuring that effective procedures for handling complaints about the Company are established and made widely known within the Company
- acting in accordance with the agreed levels of control and accountability, including any relevant principles in MPM it has been agreed the public corporation should comply with, and other instructions and guidance issued from time to time by BIST, HM Treasury and the Cabinet Office
- ensuring that as part of the above compliance they are familiar with and act in accordance with:
    - their fiduciary duties under the Companies Act
    - any governing legislation
    - this framework document
- giving evidence, normally with the PAO, when summoned before the PAC on the Company's stewardship of public funds

19. Responsibilities to the Shareholder and the Shareholder Representative

19.1. The Accountable Person's Responsibilities to the Shareholder and the Shareholder Representative:

- establishing, in agreement with the Shareholder, the Company's Business Plans (as defined above)
- informing the Shareholder of progress in achieving the strategic plans as appropriate and in demonstrating how resources are being used to achieve those plans
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the Shareholder, that any significant problems, whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Shareholder in a timely fashion

20. Responsibilities to the Board

20.1. The Accountable Person is responsible for:

- advising the Board on the discharge of the Company's responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time
- advising the Board on the Company's performance compared with its aims and objectives as set out in the Strategic Plan
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed

20A. Managing Conflicts

20A.1 The Accountable Person in their role as CEO of the Company should follow the advice and direction of the Board, except in very exceptional circumstances with a clear cut and transparent rationale for not doing so.

20A.2 The Accountable Person must take care that their personal legal responsibilities do not conflict with their duties as CEO of the Company and a Board member. In particular, in their role as the CEO, they should vote against any proposal which appears to cause such a conflict; it is not sufficient to abstain.

20A.3 If the Chair or the Board is minded to instruct the CEO to carry out a course inconsistent with their duties as Accountable Person, then the CEO should make their reservations clear to the Board, preferably in writing. If the Board is still minded to proceed, then the CEO should:

- ask the PAO to consider intervening to resolve the difference of view, preferably in writing;
- if the Board's decision stands, seek its written direction to carry it out, asking the Shareholder to inform HM Treasury;
- proceed to implement without delay; and
- follow the process in paragraph 3.6.6 of MPM.

21. The Board

Role of the Board

21.1. The role of the Board shall be to run the Company, in accordance with this document. Detailed responsibilities of the Board shall be set out in the Board terms of reference (as varied from time to time) and shall include the following:

- establishing and taking forward the aims and objectives of the Company as set out in the Strategic Aims, subject to Shareholder approval and within the policy and resources framework determined by the Shareholder
- developing, updating and approving the multi-year strategic plan and the annual operating plan and budget
- providing entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed
- ensuring the financial and human resources are in place for the Company to meet its Strategic Aims
- reviewing management performance
- 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 Aims, and determining the steps needed to deal with such changes
- demonstrating high standards of corporate governance at all times, including by using the Company's Audit, Risk & Assurance Committee (ARAC) to help the Board to address key financial and other risks

- ensuring that any statutory or administrative requirements for the use of public funds are complied with
- ensuring adherence by the Company of all relevant health and safety standards, procedures and laws
- that the Board operates within the limits of its statutory authority and any delegated authority agreed with the Shareholder, and in accordance with any other conditions relating to the use of public funds. The Company's financial delegations from BIST are set out in the delegation letter from the PAO to the Accountable Person
- 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 the Shareholder in answering questions about the Company
- determining all such other things which the Board considers ancillary or conducive to the attainment or fulfilment by the Company of the Strategic Aims

22. The Chair's role and responsibilities

22.1. The Chair is accountable to the Shareholder. Engagement between the Board and the Shareholder should, in the first instance, be through the Chair engaging with the Shareholder Representative.

22.2. The Chair should lead the Board in providing support and challenge to the Company's CEO and the executive team as set out in the Chair's letter issued to them by the Shareholder from time to time. The Chair's letter will typically provide clarity over the Shareholder's shorter-term aspirations for the Company, and ask the Chair to ensure the Company's strategic alignment with BIST or Government policy objectives. The expectations set out in the Chair's letter also provide a benchmark for the annual assessment of the Chair's performance, as set out at section 22.5 below.

22.3. The Chair has the following leadership responsibilities:

- formulating the Board's strategy
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the responsible Minister or BIST
- promoting the efficient and effective use of staff and other resources
- delivering high standards of regularity and propriety
- representing the views of the Board to the general public

22.4. The Chair also has an obligation to ensure that:

- the Board has a balance of skills and diversity which is appropriate to directing the Company's business
- the Chair, 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 Board receives and reviews regular financial information concerning the management of the Company and is informed in a timely manner about any concerns about the activities of the Company
- Board members are fully briefed on terms of appointment, duties, rights and responsibilities and the Chair assesses the performance of individual Board members regularly and when being considered for re-appointment
- ensuring there are regular internal and external reviews of Board performance and composition, with an externally facilitated Board evaluation at least every three years
- the Shareholder is advised as appropriate of the Company's needs when board vacancies arise. The Chair will discuss Board composition, external Board review and succession plans with the Shareholder from time to time, and agree any actions at least annually
- 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[6]
- 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[7]

22.5. Notwithstanding the Code, the Shareholder shall retain responsibility for conducting overall evaluation and review of the Chair's performance. In conducting such evaluation and review the Shareholder shall take into account appraisal of the Chair's performance as co-ordinated by the Senior Independent Director in accordance with the Code.

22.6. The Chair is bound 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[8].

23. Individual board members' responsibilities

23.1. Individual Board members should:

- comply at all times with 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
- demonstrate adherence to the 12 Principles of Governance for all Public Body Non-Executive Directors[9] 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
- comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments

[6] https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017
[7] https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies
[8] https://www.gov.uk/government/publications/the-7-principles-of-public-life
[9] https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-neds

- in accordance with the UK Corporate Governance Code 2024, additional external appointments by Board members should not be undertaken without prior approval of the Board. Furthermore, the Shareholder should be informed in advance
- act in good faith and in the best interests of the Company and in accordance with their statutory, common law and fiduciary duties as directors of the Company including under section 172 of the Companies Act 2006 which set out directors' duty to promote the success of the Company for the benefit of the members as a whole
- 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, HM Treasury or wider government

24. Composition of the Board

24.1. The Company will have established a Board in line with the principles set out in Chapter 3 of the UK Corporate Governance Code[10]. The role of the Board shall be to provide strategic leadership to the Company ensuring delivery of the Company's Strategic Aims, in accordance with the purposes as set out above, their regulatory and common law duties, and their responsibilities under this framework document.

24.2. The non-executive directors shall have a balance of skills and experience relevant to directing the Company's business. The aim is to secure an environment in which the Board (advised by the Nominations Committee and the People & Pay Committee) and the Shareholder share a common view about the appropriate composition of the Board and have agreed proposals for succession, taking into account the required balance of skills and experience.

24.3. To this end:

- At least half of the Board, excluding the Chair, should be non-executive directors whom the Board considers to be independent;
- One or more senior officials from the Shareholder and/or the Shareholder Representative shall be appointed (in consultation with the Chair) as a Shareholder Non-Executive Director (the "Shareholder Director");
- All new Non-executive Directors (excluding the Shareholder Director(s)) shall be appointed on fixed terms;
- An independent non-executive director shall be appointed as the Senior Independent Director;
- The Executive Directors shall include any Executive Directors whose appointment is recommended by the Nominations Committee and approved by the Board and Shareholder from time to time

24.4. All of the above will be company directors within the meaning of the Companies Act 2006.

[10] UK Corporate Governance Code 2024

25. Board committees

25.1. It is the responsibility of the Board to constitute such committees as necessary for it to fulfil its functions. In line with the UK Corporate Governance Code as a minimum the Board should have three committees: Audit, Risk & Assurance, Remuneration and Nomination. At the Company the responsibilities of a Remuneration Committee fall under the Company's People & Pay Committee. The Shareholder Director will be a member of each of these committees and will be invited to attend all Board committees.

25.2. The terms of each committee should set out its responsibilities and the authority delegated to it by the Board.

Management and financial framework

26. HM Treasury guidance

26.1. The activities, roles and responsibilities of the Company as described in this document should be carried out taking into account the specific section of MPM identified in sections 17.4, 20A.3, 28.2, 29.1 and 31.2.

26.2. The Company should have regard to the relevant Functional Standards[11] as appropriate and in particular, those concerning project delivery, finance, commercial, risk and counter fraud.

26.3. Notwithstanding arrangements in respect of MPM, the Company will be subject to the rules set out in Consolidated Budgeting Guidance[12], insofar as they relate to public corporations.

27. Delegated authorities

27.1. The Board is responsible for establishing appropriate delegations with the Executive Directors. The Shareholder will review these delegations from time to time with the Board.

27.2. The Company's financial delegations are set out in the Delegation Letter from the PAO to the Accountable Person.

27.3. The Company shall obtain the Shareholder's and where appropriate HM Treasury's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications
- 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
- carrying out policies that go against the principles, rules, guidance and advice in MPM as it applies to the Company under the terms of this framework document

27A Spending Authority

27A.1 Spending authority is provided by the Shareholder through the approved Business Plans, informed by the financial forecast set out within the Annual Business Plan.

27A.2 Following the provision of funding, the Company is authorised to commit funding in line with the Annual Business Plan without further reference to the Shareholder (unless a separate funding agreement is in place, in which case the terms of that agreement shall apply), on the following conditions:

[11] HMG Functional Standards
[12] https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2021-to-2022

- 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 or is for new schemes or proposals not previously agreed;
- the Company shall provide the Shareholder with such information about its operations, performance, individual projects or other expenditure as the Shareholder may reasonably require.

27A.3 Budgets will be provided on an annual basis using the information, including on monthly profile, provided in the Annual Business Plan. Should intended spend deviate from this, then discussions would need to take place, and approval be sought from the Shareholder (with advice from the Shareholder Representative and BIST Finance).

27A.4 The Company will provide the Shareholder with a consolidated shares certificate as requested, and at least annually prior to the end of the financial year (31 March) to ensure that the investment is appropriately accounted for within the BIST accounts.

28. Banking, loans and working capital

28.1. As a Public Corporation, it has been agreed between the Company and the Shareholder, that the Company will retain its current commercial bank account for day-to-day banking activities. The Company will inform the Shareholder, through the Shareholder Representative, should there be any changes in the terms and conditions of the account, any issues with the account which may impact the Company's ability to deliver its activities or if the Company intends to change provider. Cash balances accumulated during the course of the year shall be kept to a minimum level consistent with the efficient operation of the Company.

28.2. Any loan facilities put in place should be reviewed and approved by the Board and Shareholder and take into account guidance set out in MPM (5.8 Borrowing by Public Sector Organisations and 5.9 External Borrowing) where relevant. Any loan facility will be arranged between the Company and the Shareholder and will be conducted on commercial arms-length terms for the purposes of providing working capital.

29. Charging and dividends

29.1. The Company will operate commercial market rate pricing consistent with section 6.6 of MPM, in accordance with company and competition law. To the extent that it is applicable, the Company's charging will be in accordance with the Re-use of Public Sector Information Regulations 2015[13] (as amended or re-enacted).

29.2. The Company does not currently have a dividend policy. The payment of any dividends may be considered in future, subject to the Company's financial position, applicable law and any relevant guidance from the Shareholder.

[13] https://www.legislation.gov.uk/uksi/2015/1415/contents/made

30. Risk management

30.1. 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 will develop a risk management strategy taking account of the HM Treasury "Orange Book" guidance Management of Risk: Principles and Concepts[14] where appropriate. The Company shall ensure, in consultation with the Shareholder Representative, that there is an appropriate risk-reporting and escalation process in place.

31. Counter fraud and theft

31.1. The Company should adopt and implement policies and practices to safeguard itself against fraud and theft.

31.2. The Company should act in compliance with the procedures and considerations as set out in MPM Annex 4.9 and the Counter Fraud Functional Standard[15]. It should take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter a contract.

31.3. The Company should keep records of and prepare and forward to BIST an annual report on fraud and theft suffered by the Company and notify the Shareholder of any unusual or major incidents as soon as possible.

32. Remuneration and staff

Status of the Company's employees

32.1. The Company's staff are not civil servants and therefore the annually updated Civil Service Pay Guidance[16] does not apply.

Pay controls

32.2. Controls over remuneration and conditions apply as follows:

- the remuneration package of the Company's CEO and remuneration for any other roles that are Ministerial appointments, require approval by the CST assuming the remuneration threshold, as set out in the Senior Pay Guidance, is reached. In addition, any remuneration package for any member of staff that is in excess of the CEO's will require CST approval
- the Chair is a Ministerial appointment and is therefore subject to the provisions set out in the Senior Pay Guidance which came into force on 1 January 2018
- any other appointments that are made by the Company and are not Ministerial appointments or appointments that are approved by a Minister do not engage the senior

[14] Orange Book - GOV.UK
[15] https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud
[16] https://www.gov.uk/government/publications/civil-service-pay-remit-guidance-202122

pay controls and do not require CST approval. This does not remove the right of the Shareholder to dismiss or appoint any Board member pursuant to the Articles.

Broad responsibilities regarding staff

32.3. The Board is solely responsible for all other staff matters, including the appointment and management of staff, determining staff numbers, determining terms and conditions of appointment in accordance with appropriate HR documents, including the remuneration policy.

32.4. The Company must have regard to wider public sector pay policy when setting a remuneration policy.

32.5. The People & Pay Committee should have oversight of all bonus and incentive schemes. The Board will delegate to the People & Pay Committee those responsibilities set out above.

32.6. The CEO is responsible for ensuring the Company conducts its operations observing the principles of MPM.

32.7. It is the responsibility of the Company to ensure it complies with the IR35 requirement.

32.8. HMT guidance on exit payments[17] should be applied as relevant. Statutory or contractual exit payments must be affordable and demonstrate value for money. Special severance payments, made outside of contractual or statutory requirements, are novel, contentious and potentially repercussive and so require prior Shareholder or Treasury approval in line with the above-linked guidance.

32.9. Confidentiality clauses may only be used as permitted in relevant public sector guidance[18].

32.10. Salary sacrifice schemes must be consistent with MPM guidance on tax planning.

32.11. The Company's travel policy must be consistent with public sector guidance, with first class travel restricted to exceptional cases[19].

32.12. The Company should report (via the People & Pay Committee) to the Shareholder the number of posts whose remuneration requires CST approval according to the Senior Pay Guidance. The Annual Report should contain full details of the remuneration of Board members, provide information in bands for executive committee members whose remuneration requires CST approval according to the Senior Pay Guidance, and report the numbers of other staff (without names) whose remuneration requires CST approval according to the Senior Pay Guidance. The Company should also notify the Treasury, via the Shareholder Representative, of all bonus arrangements put in place that require approval according to the Senior Pay Guidance as soon as

[17] https://www.gov.uk/government/publications/public-sector-exit-payments-guidance-on-special-severance-payments
[18] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/817156/Cabinet-Office-guidance-on-settlement-agreements-special-severance-payments-on-termination-of-employment-and-confidentiality-clauses.pdf
[19] https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note

the decision is made and within no more than one month. The number of bonuses paid require CST approval according to the Senior Pay Guidance should be made public in the Annual Report.

32.13. Other benefits are set out in the Company's remuneration policy, which also covers legacy arrangements. The Company must not offer allowances that may be considered novel, contentious or repercussive, unless in exceptional cases where prior approval has been sought from the CST.

Remuneration criteria

32.14. The People & Pay Committee shall determine the remuneration policy and remuneration levels in accordance with the following criteria (which shall also be reflected in the People & Pay Committee terms of reference and the remuneration policy itself). The criteria are that remuneration levels:

- are sufficient to attract and motivate high calibre individuals to drive the delivery of the activities and objectives of the Company described in this document
- are structured to link remuneration of all employees to performance in line with the Strategic Plan
- are aligned with the objectives set out in this document
- deliver value for money
- take account of MPM and take account of remuneration levels within comparable public sector institutions and are set with wider public sector pay policy in mind

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

32.16. The Company will operate a performance-related bonus scheme based on the Company's and individual's performance approved by its People & Pay Committee.

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

Business plans, management information and audit

33. Strategic and business plans

33.1. The Company must have a Strategic Plan covering a period of at least three years and an Annual Business Plan covering a period of twelve months. The issues and priorities to be addressed in the Business Plans shall be agreed between the Board and the Shareholder, but will:

- set out the Company's objectives and contain such information as can reasonably be expected to enable the Shareholder to give consideration to the strategic and operational direction of the group's activities
- provide targets, expressed in terms of cashflow, investment spend, trading profits and sufficient other financial information to enable the Board to set the Company's profit target and consider the framework of the Company's borrowings, and for this to be reviewed and approved by the Shareholder

Strategic Plan

33.2. The Strategic Plan will be developed, reviewed and updated by the Board and approved by the Shareholder. Among other things, it shall include:

- financial information at a level of detail agreed between the Company and the Shareholder covering at least a three-year forecast period, including an income statement, balance sheet, cashflow statement and explanatory narrative regarding assumptions
- description of how the Strategic Aims are being fulfilled in the current period and for the future including clear descriptions of risks and opportunities to the plan
- a set of Key Performance Indicators (KPIs) to allow the Board and Shareholder to track performance against the plan
- Information on any investment and/or transformation plans
- an analysis of the commercial and regulatory environment in which the Company operates, including the Board's view of the way in which the market is evolving and the development of competitors' activities
- the Company's strategic response to the commercial and regulatory environment, including:
    - its principal strategic options
    - its strategic approach to remuneration of employees
    - the resources needed, including personnel, technology and funding
    - its financial and performance projections, including forecast income statement, balance sheet and statement of cashflows, at both the corporate and line-of-business level, with sensitivity analyses of the major risks on an annual basis and over the Strategic Plan period
    - an outline of possibilities and plans for entering into partnerships and alliances, for example the level and extent of any private sector investment in the Strategic Plan

33.3. The Board will review and update the Strategic Plan at least annually and otherwise as necessary to take account of any additional or amended obligations or responsibilities assumed by the Company. The Strategic Plan may also need to be updated following government spending reviews and at other times agreed between the Shareholder and the Company. Updates will be subject to Shareholder approval at least annually.

Annual Business Plan

33.4. The Company will provide an Annual Business Plan for the next financial year to its Board annually, and a final Annual Business Plan for approval thereafter. Shareholder approval will need to be sought subsequent to approval by the Board. The Shareholder (acting reasonably) can agree a different timetable with the Company.

33.5. The Shareholder and the Company shall agree the issues and priorities to be addressed in the Annual Business Plan but it will include:

- the steps that the Company will take in respect of the current Strategic Plan
- the Company's annual budget (which itself is subject to Shareholder approval), including financial forecasts and performance targets
- a reconciliation of any differences between the Company's annual budget and the projected income statement, statement of cash flows and balance sheet in the previous year's Annual Business Plan and the current Strategic Plan
- reporting on KPIs and performance against targets
- the proposed scheduled drawings by the Company of government funding, as applicable
- information on the investment and/or transformation activities that the Company plans to undertake, the expected costs and benefits, and how the activities relate to the Strategic Plan
- an update on the Company's forecast financial performance for the current financial year

Amendments to and variations from the Business Plans

33.6. The Company will keep its Business Plans under review and shall inform and consult with the Shareholder in respect of any contemplated changes to the Business Plans that it considers are, or may become, necessary from time to time. Any proposed material updates or amendments will be subject to discussion with, and approval by, the Shareholder.

Effect of approval of Business Plans

33.7. The approval of the Annual Business Plan or the Strategic Plan, or approved amendment or variation to either of them, shall be deemed to be an approval of any matter within either Plan which would have required Shareholder approval if such matter is specifically identified with reasonable detail in either Plan as being proposed for approval.

34. HMG funding arrangements

34.1. Budget provided by BIST for the year in question will be included in BIST's wider Supply Estimate. Funding will be paid at intervals to be determined by BIST on the basis of written applications showing evidence of need and meeting other conditions. The Company will comply with the general principle, that there is no payment in advance of need. Cash balances accumulated during the course of the year from HMG shall be kept to a minimum level consistent with the efficient operation of the public corporation. Funding not drawn down by the end of the financial year shall lapse.

34.2. In the event that BIST provides the public corporation separate grants for specific (ring-fenced) purposes, conditions will be set out in the relevant grant agreement.

35. Annual report and accounts

35.1. The Board must publish an annual report of its activities, together with its audited accounts after the end of each financial year.

35.2. The annual report must be produced by the Company and comply with the Companies Act 2006 and the timing for production of such accounts shall accord with "best practice" applicable to UK registered companies.

35.3. The annual report shall also follow the principles in HM Treasury's Financial Reporting Manual (FReM)[20] and provide the additional disclosures required by FReM where these go beyond the Companies Act 2006.

35.4. The Company will share a draft of the report narrative with the Shareholder for review before it is signed off by the Board providing adequate time for such review and not less than five working days. The final report should be submitted to the Shareholder as soon as feasibly possible 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 the Company announcements but will be as soon as feasibly possible.

35.5. The Shareholder will lay the annual report and accounts before Parliament and it should be made available on the Company's website.

36. Reporting performance to the Shareholder

36.1. 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.

36.2. The Company shall inform the Shareholder, or the Shareholder Representative, of any changes that make achievement of objectives more or less difficult. It shall report financial and

[20] https://www.gov.uk/government/collections/government-financial-reporting-manual-frem

non-financial performance, including performance in helping to deliver ministers' policies, and the achievement of key objectives in accordance with section 36.3 below.

36.3. The Company's performance shall be formally reviewed by the Shareholder at Shareholder Meetings (defined below). In advance of each Shareholder Meeting, and monthly where indicated, or more frequently as agreed with the Shareholder Representative, the Company will provide the Shareholder and the Shareholder Representative with a reporting pack in such form as is approved by the Board. It will include:

- a summary of the Company's performance over the previous quarter
- key corporate risks
- a monthly business-as-usual (BAU) trading performance report including actuals vs budget and forecast, with explanations for significant deviations, and the latest full-year trading reforecasts
- information on its expected draw-down on any government funding for the remaining duration of the Strategic Plan
- an update on delivery against its planned investments as set out in the Strategic Plan
- monthly investment spend report including:
- analysis of actuals vs budget and forecast, with explanations for significant deviations (including implications on delivery and risk profile)
- latest view of annual investment spend for the relevant financial year at the project level throughout the funding period, (with annual profiling), and analysis of the implications on delivery/outputs/milestones and risk profile resulting from updates to investment spend forecasts
- monthly performance reporting on programmes/activities as mandated under the conditions attached to specific, ring-fenced funding agreements (where applicable)
- a report on issues covered by the annual Chair's letter

36.4. The Responsible Minister will meet the Board, Chair, CEO at least once per year. The Board, Chair and CEO should make themselves available to attend such meetings upon reasonable notice as requested.

36.5. The PAO will meet the CEO at least once a year. The CEO should make themselves available to attend such meetings upon reasonable notice as requested.

36.6. The BIST British Steel Policy Sponsorship Team will meet with senior Company representatives as required to discuss strategy and policy.

37. Information provided to the Shareholder

37.1. The Company will facilitate the Shareholder and Shareholder Representative in fulfilling its function by providing relevant information on request including on, but not limited, to Business Plans, financial forecasts and budgets, financial performance, achievements against targets, capital expenditure and investment decisions, governance matters including Board appointments and remuneration and reports on key corporate risks.

37.2. The Company will proactively endeavour to share information on key strategic or policy issues with the Shareholder.

37.3. Where a request for relevant information is made, the Shareholder shall make such requests itself or via the Shareholder Representative. The Shareholder and the Shareholder Representative shall procure that such information shall only be used as necessary to properly exercise the shareholder function on the understanding that due care will be taken in handling the Company's information, as set out below.

37.4. Where the Shareholder Director receives information:

- in their capacity as the Shareholder Director, they shall be authorised to share this information with the Shareholder
- other than in their capacity as the Shareholder Director and where that information is subject to a duty of confidentiality, they shall not be obliged to disclose the information to the Company. Where the Shareholder Director receives such information in such capacity, in circumstances where they consider that the knowledge or receipt of such information could affect their ability to comply with their duties as a non-executive director of the Company, the Shareholder Director agrees to notify the Board as soon as practicable and to take appropriate steps, including but not limited to agreeing to recuse themselves from relevant decision-making processes

Shareholder Meetings

37.5. Regular meetings between the Shareholder and senior Company representatives (as agreed with the Shareholder) will be held at a frequency decided by the Shareholder to discuss governance, financial performance and other relevant matters.

38. Audit

38.1. The Company will arrange for audit of its accounts in accordance with the Companies Act 2006, subject to the approval of the Shareholder.

38.2. The Company ARAC is responsible for appointing a suitably qualified and experienced external auditor, subject to the approval of the Shareholder. The ARAC should work with the Executive Directors to provide the Shareholder, and other relevant bodies, with regulatory compliance reports and any other reports deemed appropriate at the commencement of the audit and as compatible with the independent auditor's role.

38.3. The Company and external auditor if appointed may need to work with the Shareholder's auditor as required in completion of the Shareholder's own audit activities.

38.4. The Company will introduce and maintain an internal audit function (with or without external professional support) who will report to the ARAC and will cover (among other things) matters relating to risk management and internal controls, including compliance with the terms of this document.

38.5. The ARAC should periodically review the Company's auditors in line with best practice.

38.6. The Comptroller and Auditor General (C&AG) may carry out value for money studies of the Company under the National Audit Act 1983, examining the economy, efficiency and effectiveness with which the Company and/or its subsidiaries have used their resources in discharging their functions. The Company will make available to the C&AG its accounts and other relevant information, documents and access to staff as necessary for such examinations.

38.7. The Shareholder and the Company shall provide, in conditions to any grants or contracts, for the C&AG 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 for the C&AG to any other documents required by the C&AG which are held by other bodies.

Reviews and winding up arrangements

39. Review of public corporation's status

39.1. As a public corporation, the Company is technically out of scope of the Cabinet Office-led Public Bodies Review Programme but may still be selected for review under this framework at the discretion of the Shareholder.

40. Arrangements in the event that the public corporation is wound up

40.1. The Shareholder shall put in place arrangements to ensure the orderly winding up of the Company. 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. To this end, the Shareholder shall:

- have regard to Cabinet Office guidance on winding up of ALBs[21]
- 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; specify the basis for the valuation and accounting treatment of the Company's assets and liabilities
- 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
- arrange for the most appropriate person to sign the closing accounts. In the event that another entity takes on the role, responsibilities, assets and liabilities, the succeeding entity AO should sign the closing accounts. In the event that BIST inherits the role, responsibilities, assets and liabilities, BIST's AO should sign

21.2 The Company shall provide BIST with full details of all agreements where the Company or its successors have a right to share in the financial gains of developers. It should also pass to BIST details of any other forms of claw-back due to the Company.

21 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690952/Public_Bodies_-_a_guide_for_departments_-_chapter_10.pdf

Annex A: Guidance

The Company shall comply with the following guidance, documents and instructions, as applicable to public corporations:

Corporate governance

- This framework 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
- 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

Financial management and reporting

- Managing Public Money (MPM): https://www.gov.uk/government/publications/managing-public-money
- 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 by the parent department.

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: www.gov.uk/government/publications/public-sector-internal-audit-standards

- HM Treasury 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: https://www.gov.uk/government/publications/national-cyber-strategy-2022/national-cyber-security-strategy-2022 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

- 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

- HM Treasury guidance on senior pay and reward: www.gov.uk/government/publications/senior-civil-service-pay-and-reward

- Civil Service pay guidance (updated annually): www.gov.uk/government/collections/civil-service-pay-guidance

- 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 HM Treasury)

- 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: www.gov.uk/government/publications/public-bodies-information-and-guidance

- 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 produced by the Infrastructure and Projects Authority (IPA) on management of major projects: www.gov.uk/government/organisations/infrastructure-and-projects-authority

- The Government Digital Service: www.gov.uk/government/organisations/government-digital-service

- The Government Fraud, Error, Debt and Grant Efficiency function; www.gov.uk/government/collections/fraud-error-debt-and-grants-function and www.gov.uk/government/publications/grants-standards

- 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): www.gov.uk/government/publications/accounting-officer-system-statements

Annex B: The Shareholder Representative Role

The UKGI shareholder role consists of the following activities:

Establish and maintain appropriate and effective corporate governance foundations which govern the department-asset relationship

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

Promote effective objectives, business planning and performance against business plan

2. Assess and challenge the Company's Business Plans from an owner's perspective, advising the Shareholder and Responsible Minister on the clarity of the objectives, the quality of the Business Plans 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 Business Plans 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 Responsible Minister accordingly.

4. Challenge the Company's Business Cases, and other HMG approvals outside the Company's executive delegations, through the Shareholder NED position on the 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 such business cases, providing advice to the department and ministers, or obtaining HMG approval for Business Cases, unless explicitly agreed otherwise).

Promote strong corporate capability

5. Through UKGI, as well as the UKGI shareholder representative on the 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 the department, on:

    a. governance framework compliance – defined as the Company's view on its compliance with its governance framework (as set out in its Framework Document, delegated authorities, and any other specified governance documents), and

    b. the adequacy and strength of the Company's reporting to the department on these issues.

Promote effective leadership (high quality boards and senior management)

6. Promote and advise the Shareholder 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 the Shareholder and ministers on and implementing effective board composition, recruitment, remuneration and appointment processes
    c. acting as the shareholder non-executive director on the Board
    d. giving a view on the Board level executive capability in relation to its responsibilities, and remuneration

Promote effective relationships between the Shareholder and the Company

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

Supporting and supplementing the activities above by providing a Shareholder NED on the Company's board

8. Act as government shareholder representative on the 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 UKGI
    b. attending the Board committees as appropriate, but usually Remuneration Committee, Audit and Risk Committee, and Nominations Committee (or equivalent committees)
    c. acting as an interlocutor between the department and the Board
    d. providing a view to the department on the strength of the Board

Annex C: Accountable Person Appointment Letter

Department for Business & Trade

Amanda Brooks CBE
Interim Permanent Secretary
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London
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E: permanentsecretary@DBT.gov.uk
15 July 2026

Kelly Jones
Chief Restructuring Officer
British Steel Limited
Administration Building
Brigg Road
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DN16 1XA

ACCOUNTABLE PERSON (AP): Instruction from Department of Business and Trade (DBT) Permanent Secretary to the Chief Restructuring Officer (CRO) of the Company on Accountabilities and Responsibilities

Congratulations on your appointment as CRO of the Company. As CRO, you also serve as AP of the Company. As Principal Accounting Officer (PAO) for DBT, I designate you as the Company's AP. You are responsible for running the organisation according to regularity, propriety, value for money, and feasibility principles from Managing Public Money. Additionally, given the Company's role as a Public Corporation in commercial markets, you should make investment and financial decisions based on common business practices.

The Company's Shareholder Relationship Framework Document will set out the role of the Company's AP, and the standards you are to ensure your organisation follows are summarised in **Managing Public Money Box 3.1: Standards expected of the Accounting Officer's organisation**:

"Acting within the authority of the minister(s) to whom he or she is responsible, the accounting officer should ensure that the organisation, and any ALBs it sponsors, operates effectively and to a high standard of probity. The organisation should:

Governance:
- *have a governance structure that transmits, delegates, implements, and enforces decisions*
- *have trustworthy internal controls to safeguard, channel and record resources as intended*
- *work cooperatively with partners in the public interest*
- *operate with propriety and regularity in all its transactions*

- *treat its customers and business counterparties fairly, honestly and with integrity*
- *offer appropriate redress for failure to meet agreed customer standards*
- *give timely, transparent, and realistic accounts of its business and decisions, underpinning public confidence;*

Decision-making:
- *support its ministers with clear, well-reasoned, timely and impartial advice*
- *make all its decisions in line with the strategy, aims and objectives of the organisation set by ministers and/or in legislation*
- *take a balanced view of the organisation's approach to managing opportunity and risk*
- *impose no more than proportionate and defensible burdens on business;*

Financial management:
- *use its resources efficiently, economically, and effectively, avoiding waste and extravagance*
- *plan to use its resources on an affordable and sustainable path, within agreed limits*
- *carry out procurement and project appraisal objectively and fairly, using cost benefit analysis and generally seeking good value for the Exchequer as a whole*
- *use management information systems to gain assurance about value for money and the quality of delivery and so make timely adjustments*
- *avoid over defining detail and imposing undue compliance costs, either internally or on its customers and stakeholders*
- *have practical documented arrangements for controlling or working in partnership with other organisations, as appropriate*
- *use internal and external audit to improve its internal controls and performance."*

As part of this responsibility, I expect you to ensure that the Company follows DBT and HM Treasury (HMT) approvals requirements described in MPM and other ancillary guidance such as the Senior Pay Guidance and Public Sector Pay and Terms Guidance, as applicable to the Company.

The Committee of Public Accounts may invite you to attend as a witness at its evidence sessions. This is not optional, and it is only with specific agreement of the Chair of the Committee that you may defer your attendance or send a substitute.

Your designation is in line with latest HMT advice on Public Corporations. The Office for National Statistics (ONS) has classified the Company as a Public Corporation. Therefore, it is exempt from standard Cabinet Office controls unless agreed with HMG and the Shareholder. The Company must make investment and financial decisions based on common business principles and practices. Where any government fiscal controls may apply, it is the Company's responsibility to identify these, with assistance from DBT and UK Government Investments (UKGI).

Any funding received from DBT, or any other Government Department (OGD) should only be used in accordance with the terms and conditions attached to the relevant funding agreement and you should provide any assurance required by the relevant funding agreement. Any other income received should be treated as public money and have the same standards applied to it as set out in Managing Public Money. If you have not already done so I recommend you undertake Accounting Officer training, which my officials can help to arrange for you.

For further guidance, please refer to the following Treasury issued handbooks:

- The **Accounting Officer's survival guide**: the main Accounting Officer's responsibilities (but do note that you are an Accountable Person rather than an Accounting Officer); and
- **Parliamentary scrutiny of public spending**: practical guidance on engagement with the National Audit office and the Committee of Public Accounts.

I look forward to working with you and value the huge contribution you are already bringing to the role.

Yours sincerely,

AMANDA BROOKS
INTERIM PERMANENT SECRETARY

gov.uk

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