

Appendix 1

Committee of University Chairmen

Edited extracts from “Guide for Members of Governing Bodies of Universities and Colleges in England and Wales”

Section 4: Conduct of Governing Body Business

The Proper Conduct of Public Business

4.1 Governing bodies are entrusted with public funds and therefore have a particular duty to observe the highest standards of corporate governance at all times and ensure that they are discharging their duties with due regard for the proper conduct of public business. The guiding principles are that a governing body should:

- observe the highest standards of integrity and objectivity in the transaction of all its business, and particularly in the management of funds
- wherever possible follow a policy of openness and transparency
- be accountable for the activities of the organisation and for the stewardship of public funds
- maximise value for money through ensuring that services are delivered in the most effective, efficient and economical way.

4.2 The governing body is responsible for enabling the institution to achieve its primary objective of teaching and research whilst at the same time ensuring that it is operating within a framework of effective accountability. Attention is drawn to the House of Commons Public Accounts Committee’s Report on the Proper Conduct of Public Business (8th Report, January 1994).

4.3 This section outlines the general rules and conventions for the conduct of the business of governing bodies of higher education institutions, and particularly those features which assist with compliance with the principles mentioned above.

Procedural matters

4.4 In order to function effectively the governing body must meet regularly and at reasonably frequent intervals. The agenda and supporting papers should be circulated in advance and the decisions minuted.

Role of the Chairman

4.8 The chairman has responsibility for the leadership of the governing body and plays a key role in relation to the business of the institution. A critical element in the effectiveness of the governing body and of the institution as a whole is a constructive relationship between the chairman and the head of the institution.

Role of the Head of the Institution in relation to the Governing Body

4.9 The specific responsibilities of the head of the institution in relation to the conduct of the business of the governing body include:

- implementing the decisions of the governing body or ensuring that they are implemented through the relevant part of the institution's management structure
- initiating discussion and consultation including, where appropriate, consultation with the staff and the academic board/senate on proposals concerning the institution's future development and ensuring that such proposals are presented to the governing body
- fulfilling the duty, as principal officer under the terms of the Funding Councils' Financial Memorandum, to alert the governing body if any actions or policy under consideration would be incompatible with the terms of the Financial Memorandum, and to inform the chief executive of the Funding Council if the governing body nevertheless decides to proceed.

4.10 The head of the institution is responsible for advising the governing body on policy issues and ensuring good order and efficiency in the affairs of the institution. The head of the institution does not determine matters reserved for the governing body. Equally however, the governing body, having appointed the head of the institution (in conjunction with the senate in some pre-1992 universities) and established the necessary framework in terms of policy and budget, should then allow the head of the institution and his/her senior colleagues to conduct the detailed management of the institution.

Role of the Secretary to the Governing Body

4.11 The secretary to the governing body has a key role to play in ensuring that procedures are followed. The chairman and members of the governing body will look to the secretary for guidance about their responsibilities under the rules and regulations to which they are subject (including external legislation and the requirements of the Funding Council), and on how those responsibilities should be discharged. The secretary is a source of professional advice to the governing body and should work closely with the chairman and the head of the institution in order to ensure the efficient management of the governing body's business. In particular he/she should alert them if he/she considers that any proposed action would exceed the governing body's powers or be contrary to the provisions of the statutes or articles or other legislation to which the institution is subject.

Matters concerning Lay Members of the Governing Body

Declaration of Interest

4.12 It is central to the proper conduct of public business that chairmen and members of governing bodies should act and be perceived to act impartially and not be influenced in their role as governors by social or business relationships. A member of a governing body who has a pecuniary, family or other personal interest in any matter under discussion at any meeting of the governing body or one of its committees at which he/she is present shall as soon as practicable disclose the fact of his/her interest to the meeting and shall withdraw from that part of the meeting. A member of the governing body is not, however, considered to have a pecuniary or personal interest in matters under discussion merely because he/she is a member of staff or a student of the institution. Nor does the restriction on involvement in matters of direct personal or pecuniary interest prevent members of the governing body from considering and voting on proposals to insure the governing body against liabilities which it might incur.

4.13 The establishment of a Register of Interests of members of the governing body is considered to be good practice.

Members as Representatives

4.14 Members nominated by particular constituencies should not act as if delegated by the group they represent. No member may be bound, when speaking or voting, by mandates given to him or her by others except when acting under approved arrangements as a proxy for another member of the governing body.

Induction

4.15 Members of the governing body, when taking up office, should be fully briefed on the terms of their appointment and be made aware of the responsibilities placed on them for the proper management of the institution. They should receive copies of relevant background documents at the time of their appointment (for example a copy of this guide, the annual report and accounts, financial forecast, strategic plan, estate strategy, notes describing the institution's organisational structure, and the rules and procedures of the governing body). It is also desirable for governing bodies to provide an induction or briefing session for new members, particularly for members not familiar with higher education, in order to explain the responsibilities of members of governing bodies, the functions of the governing body and other bodies within HE, and the strategic objectives of the institution.

4.16 Following initial induction, members should regularly receive copies of the institution's newsletter and appropriate publicity material which will help them to stay up-to-date with developments.

Strategic Planning

4.20 Whilst the governing body will rely on the head of the institution to discharge the ongoing responsibilities for the operational management of the institution and to offer guidance to the governing body on the issues coming before it, the governing body will have a particular concern for the strategic development of the institution. The governing body should consider and approve institution's strategic plan which influences and guides all decisions coming before the governing body. It should also approve an annual operating plan which identifies those aspects of the strategic plan being implement in the year in question.

Delegation to Committees and Retention of Key Functions

4.22 It is common practice for the governing body to delegate some of its work to committees such as a planning and resources committee, or finance and general purposes committee. In deciding which tasks should be delegated, the governing body should retain a formal schedule of matters specifically reserved to it for its collective decision.

4.24 All committees must be provided with a clear remit and written terms of reference. Membership of committees provides a particular opportunity for members of the governing body to contribute their expertise to the institution.

Nominations Committee

4.29 Governing bodies should establish a nominations committee to seek out and recommend new lay/independent co-opted members to the appointing body. The nominations committee should be chaired by the chairman of the governing body and include in its membership at least three lay/independent/co-opted members of the governing body, the head of the institution and at least one senior member of the academic staff.

4.30 Vacancies for lay/independent members and co-opted members should be publicised within the institution (for example in the newsletter) and staff and students as well as members of the governing body should be invited to submit names to the clerk of the governing body for transmission to the nominations committee. This will ensure that a wide trawl for names is achieved. However, the nominations committee must pay regard to the balance of membership on the governing body and the needs of the institution in making its report to the governing body. The question of the inclusion of appropriate members of the local community should also be addressed. In the pre-1992 universities the nominations committee's recommendations should be voted upon by the whole governing body, but in the institutions formerly funded by the PCFC or Welsh LEAs decisions on the appointment of independent members must be approved by the independent members. Nevertheless the whole governing body should discuss the nomination committee's report before the independent members take their decision.

Rotation of Members

4.31 Continuity of membership, particularly of key members, is often of great importance to an institution, but the principle of turnover and new blood is also vital. Lay/independent members should be appointed for a given term, either three or four years, which should be renewable. Such renewals, however, should not be automatic, but should be recommended by the nominations committee as part of its report on filling vacancies. In normal circumstances continuous service beyond three terms of three years or two of four is not desirable (although exceptions may be permitted), and after this point members should normally retire to permit the governing body to appoint new members. There should be no bar to a particularly valued member returning if a vacancy occurs in future years. Where a member is elected chairman of the governing body or to some other statutory office such as pro-chancellor or treasurer, he/she would automatically begin a new term of membership linked to the office. An upper age limit of 70 for re-appointment should be considered as good practice, but could be the subject of special dispensation by the governing body.

Representation of Staff and Students on Governing Bodies

4.32 The statutes of the pre-1992 universities normally state that membership of the governing body must include representatives of the academic staff and students (and in some cases non-academic staff): this representation is integral to the nature of governance in those institutions. In the institutions formerly funded by the PCFC or Welsh LEAs these categories of members can be excluded by decision of the governing body. A governing body should approach the question of excluding such representation with very great care and in the case of a resolution to exclude such members should record formally in its minutes the grounds for its decision and should publish these grounds within the institution and inform the Funding Council.

Principles of Openness and Transparency in the Operation of Governing Bodies

4.33 The general principle applies that there should be access to information about the proceedings of the governing body for students and staff of the institution. The agenda, draft minutes if cleared by the chairman, and the signed minutes of governing body meetings, together with the papers considered at meetings, should generally be available for inspection by staff and students. There may, however, be matters covered in standing orders where it is necessary to observe confidentiality. Such matters are likely to include items concerning individuals or which have a 'commercial' sensitivity.

4.34 The institution's annual report and accounts should be made widely available outside the institution and ways should be found by which the public, or the local community, can comment on matters to do with the institution that concern them.

4.35 Institutions should consider what is the appropriate means by which these principles should be met. The statutes of many pre-1922 universities include provision for a court, with a wide membership drawn on a representative basis from external bodies whose terms of reference meet these criteria. Good practice might include placing copies of the governing body's minutes in the library or reporting on decisions in a newsletter, ensuring that the annual report and accounts are circulated to academic departments and the students' union and to a wide range of local bodies, and ensuring that machinery exists whereby the higher education institution maintains a dialogue with appropriate organisations in their communities.

Appendix 2

Association for Colleges

A Model Code of Ethics for Colleges

Introduction

This paper sets out a model Code of Ethics for further education colleges. It does not seek to rehearse the legal framework governing the operation of colleges, but takes as its starting point the distribution of powers and responsibilities set out in legislation. Nor does it seek to provide detailed guidance on every question of conduct which might arise: rather it lays down general principles which can be used to determine action, which will conform to the standards and values expected within further education. Every college will already have a College Charter and a Code of Ethics would complement that.

A. General

1. In all college activities it is important to retain a set of core values, relevant to its mission to provide high quality learning opportunities for students. A public Values Statement can be useful.
2. As an institution within the public sector, the college accepts that those values must be in conformity with the principles laid down by the Nolan Committee for those holding public office, namely:
 - selflessness
 - integrity
 - objectivity
 - accountability
 - openness
 - honesty
 - leadership.
3. The college recognises its obligations to all those with whom it has dealings — students, employees, suppliers, other educational institutions and the wider community.
4. The reputation of the college and the trust and confidence of those with whom it deals is one of its most vital resources, the protection of which is of fundamental importance.
5. The college demands and maintains the highest ethical standards in carrying out its activities.
6. In its dealings with individuals the college adheres to the principles of natural justice.

B. Students

1. The college believes that integrity in dealing with its students or prospective students is a prerequisite for success, and an important statement of the values it offers.
2. The college will not give deliberately inadequate or misleading information on its learning programmes or other services.

3. In all advertising and public communications, the college will avoid untruths, concealment and overstatement about its programmes and achievements.
4. The college will avoid recruitment practices which involve the offer of financial or other inducements to students.
5. The college will deliver learning programmes and support services to meet the individual needs of students, efficiently and effectively to accepted quality standards, and will take steps to rectify any shortcomings in the service delivered.
6. Learning support, information, advice and guidance offered to students will be impartial and guided by the best interests of the student, not of the college.
7. The college will adopt a charter setting out what students and others can expect of the college.
8. The college will ensure that complaints are dealt with fairly, openly and efficiently.
9. The college will maintain the confidentiality of information on individual students.

C. Educational Partners

1. The college will compete vigorously but honestly with other educational institutions offering similar learning opportunities.
2. The college will not seek to damage the reputation of competitors either directly or by innuendo.
3. The college will provide information on individual students to the Careers Service and other institutions engaged in providing for the learning needs of the student in accordance with agreed procedures, within Data Protection Act guidelines.
4. The college will not seek to acquire information regarding competitors by disreputable means.
5. The college will not engage in unfair or restrictive practices in regard to the recruitment or retention of students.
6. The college will consult with partners who might be affected on any significant proposals for change in the learning programmes or services it offers.

D. Governing Bodies

1. The college will adopt a Code of Conduct for its Governing Body consistent with the principles laid down by the Nolan Committee and the requirements of its Instrument and Articles of Government.
2. The Code of Conduct will require the maintenance of a register of Governors interests which will be open to inspection by the public, in sufficient detail to allow interests of relevance to college activities to be identified. Interests which may be sensitive for financial reasons may be omitted from public inspection, provided Governors comply with the requirements of the Instrument of Government in any proceedings of the Governing Body.
3. The Governing Body of the college will seek to ensure that its members are appointed on merit and are drawn widely from the community it serves, having regard to the need for continuity and freshness and for a range of skills and interests.
4. The Governing Body is responsible for the stewardship of the public assets vested in the corporation and for the financial health of the college.

5. The Governing Body will adopt procedures which ensure sound financial decision making, control and monitoring to meet the requirements of the funding body and public audit.
6. The Governing Body will ensure that information on its decisions is made widely available, having regard to proper confidentiality.

E. Management and Staff

1. The college will adopt a Code of Conduct for its employees, based on similar principles to that for Governors.
2. The Staff Code of Conduct will forbid employees from soliciting or accepting inducements in respect of any matter connected with the operation of the college.
3. The staff Code will respect the freedom within the law of academic staff to question and test received wisdom, and to put forward new ideas or controversial or unpopular opinions, without placing their employment in jeopardy.
4. As Accounting Officer for the college under the Financial Memorandum the Principal will be responsible for the propriety of financial decision making, and will advise the Governing Body of any requirements in respect of matters before it.

F. External Relationships

1. The college recognises that it is responsible to the community it serves and will take steps to ensure that information on its activities is made widely available.
2. The college will be responsive to its community and within the framework of its own Mission Statement will seek to provide programmes and services relevant to the needs of individuals and employers.
3. The college will provide timely and accurate information on individual students to employers or others providing sponsorship.
4. The college will ensure that it contracts with organisations which comply with acceptable ethical standards.

G. Compliance and Verification

1. The college will require all its employees to adhere to its Code of Conduct for staff.
2. The college will create mechanisms by which employees and students can express genuinely held concerns about behaviour or decisions they perceive to be unethical, and have them investigated, with a guarantee of anonymity where needed.
3. The Clerk to the Corporation will be responsible for monitoring adherence to the Governors Code by members of the Governing Body, investigating alleged breaches and reporting to the Governing Body. The Governing Body will decide on any action to be taken.
4. The Principal will be responsible for initiating and supervising investigations into alleged breaches of the Code of Conduct by members of staff, and for ensuring that appropriate action is taken.
5. The college auditors may be asked to report on any practice which appears to breach the code.
6. The college will ensure that its Codes are published and made widely available.

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Appendix 3

Checklist for Action from Lessons in Teamwork — How School Governing Bodies Can Become More Effective

Questions for governing bodies and those who support them

In their management paper *Lessons in Teamwork*, the Audit Commission and OFSTED identified questions for governing bodies and those who support them to ask themselves in order to identify ways of increasing their effectiveness.

Defining the role of the school governing body

1. Do we have a written agreement setting out the respective roles of the governing body and the headteacher?
2. What induction, training and other information do we provide for new and existing governors? Do we have a small budget for this?
3. Do we have a programme of governors' visits to the school? Do we organise these properly, for example encouraging governors to develop a special interest in a particular class, year-group or subject?
4. How do we keep ourselves up to date with developments in education?
5. Do our governors attend meetings of a local governors' forum? If not, how can we join or set one up ourselves?

Working practices

1. Do we all have an opportunity to contribute to discussions?
2. Are we able to question the headteacher and hold him or her to account?
3. Does our chair help to improve our working together as a team?
4. Is all the business on our agenda important? Do we work through it thoroughly?
5. Do we have control over our own agendas? Can we get items added to the agenda when we need to?
6. Does the headteacher's report give us an adequate impression of the school's performance? Does it help us to look forward and to plan our work?
7. Do we receive enough comparative information about other schools?
8. Do our committees and working groups have terms of reference, meet regularly and report back properly? Do we resist the temptation to go back over the ground again in detail?
9. Have we made sensible arrangements for the two clerking tasks of administration and providing the governing body with legal and procedural advice?

Accountability

1. Does the information in our annual report satisfy legal requirements?
2. Does the report compare the past year's achievements with our planned targets and set out our aims for the future?

3. Is the report friendly and interesting to read and does it encourage parents to attend and contribute to the annual meeting?
4. Do we conduct the annual meeting in a way which encourages all parents attending to participate?
5. Do we keep in contact with parents through a newsletter or some other means?
6. Do we make sure parents are aware of our response to any matters raised at the annual meeting?
7. Have we reviewed our financial arrangements against the standards described in *Adding Up the Sums and Keeping Your Balance*?

Influencing performance

1. Do we bring our knowledge of the wider community served by the school to bear on our decisions?
2. Does the trust exist between ourselves and the school staff to allow an open discussion of strengths and weaknesses?
3. Are we well enough informed to play an active part in monitoring and improving standards of education?
4. Do we exert influence over the content of the school development plan?
5. Do we monitor progress against the plan?
6. Are we taking the necessary action when spending and other targets in the development plan are missed?

Problems and some solutions

Questions for Governing Bodies

1. Are we showing several signs of a governing body which is in difficulty?
2. Do we welcome new recruits and involve them immediately in our work?
3. Do we have good relations with local groups so that we can identify candidates for co-option?
4. Do we occasionally discuss how we work as a team?
5. If we have territorial disputes, have we and the headteacher discussed this self-critically?
6. Are we all agreed on the need to stand by the governing body's decision?
7. Are we able to get external support if we think that we have problems as a governing body?

Questions for organisations that support governing bodies

1. Do we have any schools with the symptoms of a breakdown in good governance?
2. Do we monitor governor attendance and vacancies at the schools we support?
3. Have we allocated some of our best volunteers to the exceptional schools where governance is in disarray?
4. Are we able to help schools to resolve conflict among the governors or between the governing body and headteachers?

Audit Commission

Office for Standards in Education

Appendix 4

TEC National Council

A Framework for the Local Accountability of Training and Enterprise Councils in England and Wales

Introduction

Training and Enterprise Councils are independent and local companies holding contracts with central government for the benefit of their local communities. There is a legitimate local interest in how TECs meet local needs. The local community will expect TECs to reach, and demonstrate that they have reached, the standards of accountability necessary to:

achieve willing and active support for their activities.

This Framework for Local Accountability has been prepared by the TEC National Council, building upon good practice by TECs throughout England and Wales, to demonstrate the fundamental principles by which TECs operate in their localities to meet the needs of their local communities.

This Framework for Local Accountability does not address those already well regulated issues which also rule the behaviour of TECs, including their accountability to central Government for their contracts, and their responsibilities under the Companies Acts. A note of these practices accompanies this Framework.

The Framework is based upon the three fundamental principles to which all TECs adhere, namely:

- Openness
- Integrity and
- Accountability

The TEC National Council believes that, in our society, these principles are immutable.

How they are applied will differ from area to area as each TEC seeks to reflect the wishes of its stakeholders. The TEC National Council vigorously defends a diversity of practice to meet local needs.

However, there are five practical principles which every TEC applies:

1. They demonstrate clarity and openness in the selection of well-qualified and trained Board members.
2. They ensure that their Board is seen to act effectively in the best interests of the local community.
3. They will be open about their performance, and about their employment and financial policies.
4. Dealings with customers are on a basis of openness and high quality service, with a robust complaints procedure.
5. In dealing with partners and suppliers they seek to be trustworthy, transparent and follow fair commercial practice.

By implementing these principles TECs seek to demonstrate accountability to their local community, to local employers and to local individuals.

Ideas on how these principles are applied in terms of corporate governance and local accountability are constantly developing. Local experience is a powerful source of both ideas and examples of good practice and these continue to evolve. This Framework will therefore be reviewed between March and June 1996.

The Framework

There are three fundamental principles:

- Openness
- Integrity
- Accountability

There are five principles of implementation:

1. CLARITY AND OPENNESS IN THE SELECTION OF WELL-QUALIFIED AND TRAINED BOARD MEMBERS

Evidence of this will include:

- i an established process, clearly and publicly set out and involving the local community, for the identification and selection of new Directors;
- ii where there is a demand, keeping an open register of individuals interested in appointment;
- iii maintaining a Board membership which has the necessary breadth and balance to reflect the priorities of the local community and economy;
- iv reporting the remuneration of the Chief Executive, and highlighting the non-remunerated status of the other Directors;
- v a stated maximum term of appointment, and re-appointment subject to the agreed selection processes;
- vi ensuring that Directors have the information and training to enable them to perform their duties effectively.

2. THE BOARD IS SEEN TO ACT EFFECTIVELY IN THE BEST INTERESTS OF THE LOCAL COMMUNITY

Evidence of this will include:

- i extensive consultation about the local marketplace and needs, the plans of the TEC and its partners, and the objectives and priorities of the TEC's Corporate Plan;
- ii demonstrating clarity of mission, understanding of local needs and added value at well advertised public meetings;
- iii displaying exemplary corporate governance through paying due regard to the Code of Best Practice on the Financial Aspects of Corporate Governance (Cadbury Code);
- iv holding regular meetings of the Board and setting minimum standards of attendance by Directors;
- v Directors acting as individuals in the best interests of all customers, not as representatives of an organisation or group and not using their position to further private or organisational interests;
- vi an agreed procedure for Directors to seek independent professional advice at the TEC's expense, in the event that they have concerns related to their duties;

- vii maintenance of an up-to-date Register of Interests of Directors and employees, which includes all paid employment, appointments and directorships, equity interests over 10% and other interests (including those of close family) which may be relevant to the business of the TEC;
- viii a procedure for handling a conflict of interest in the course of day-to-day business, whether related to a financial or non-financial interest of a Director or employee, whereby it is declared and minuted and the Board take a minuted decision on whether the Director or employee should attend, participate in the decision or see relevant papers; (where such business arises from the TEC's contract with Government, Directors are contractually precluded from taking part);
- ix where contracts are awarded to Directors or employees, or to businesses in which they have a financial or non-financial interest, these are registered and the availability of the register of such interests is disclosed in the published Annual Report.

3. TECs ARE OPEN ABOUT THEIR PERFORMANCE, AND THEIR EMPLOYMENT AND FINANCIAL POLICIES

Evidence of this will include:

- i widely communicated performance targets and measurements which meet the interests of the local community and employers, alongside those to which TECs are committed by their contract with Government;
- ii published statements of performance against targets and measurements, on a basis which makes comparison possible over time;
- iii presentation of a balanced, fair and understandable assessment of results with full reporting on sources of finance, expenditure on projects and administration, and organisation, in the published Annual Report;
- iv demonstrating high standards of employment practice, in particular in becoming Investors in People, and providing a role model of good employment;
- v while maintaining reasonable commercial confidentiality, making available to the public when requested the names of those organisations who receive assistance from or a contract with the TEC.

4. DEALINGS WITH CUSTOMERS WILL BE ON A BASIS OF OPENNESS AND HIGH QUALITY SERVICE, WITH A ROBUST COMPLAINTS PROCEDURE

Evidence of this will include:

- i good and clear communication to all interested parties about the TEC organisation, the right routes into the organisation and the responsibilities of personnel dealing directly with customers and other stakeholders;
- ii giving clear and accurate information and impartial advice to employers and individual customers. Handling applications for support fairly and efficiently, and making payments in accordance with the agreed contract;
- iii granting the right to be treated equally, regardless of religion, gender or ethnic background and to have any learning difficulties or disabilities taken into account;
- iv giving a courteous and helpful personal service, based on published standards of customer care. The reasons for administrative and other decisions explained;

- v establishing a clear, accessible and well publicised route for addressing any complaints, with a declared point of contact and with complaints dealt with within a stated time period. Individuals kept informed of progress, their confidence respected and a full investigation and response given to the complainant;
- vi where the complainant remains dissatisfied and the TEC is unable to provide remedy, identifying to the complainant a route for external, independent review appropriate to the nature of the complaint;
- vii undertaking a review of complaints and the complaints procedure for lessons learnt and improvements to be made.

5. IN DEALING WITH PARTNERS AND SUPPLIERS THEY WILL SEEK TO BE TRUSTWORTHY, TRANSPARENT AND FOLLOW FAIR COMMERCIAL PRACTICE

Evidence of this will include:

- i demonstrating commitment to working with appropriate partners in the community in developing strategies and plans, seeking a clear definition of the roles of each partner and monitoring the procedures and progress of the partnership;
- ii ensuring that subsidiary companies follow the standards set out in this Framework;
- iii working with suppliers on the basis of a fair and reasonable negotiated contract containing clauses covering at least the setting of performance standards, information gathering, payment and termination;
- iv warranting that customers of suppliers under contract to the TEC receive open, honest and fair treatment equivalent to that accorded by the TEC.

June 1995

TEC National Council

Appendix 5

Highlands and Islands Enterprise Network — Accountability Through Openness

Avoiding Conflicts of Interest

1. Network board members and executive staff make annual written declarations of interests, and update these as necessary on a Register of Interests held by their respective Chief Executives.
2. Registered Interests are defined as; any contractual or financial relationship (including directorship, consultancy, board membership or other position of authority) with an outside business or organisation.
3. Each Chief Executive is responsible for: a) monitoring case papers and other documents for potential conflicts of interest; b) keeping relevant papers and information from board Members or staff with relevant interests.
4. Each Chief Executive decides on the necessity to formally record any conflicts of interests at meetings.
5. Board Members and staff are excluded from any discussions and decisions relating to their declared interests. All such exclusions are minuted.

NB These five key procedures are operated against the broader background of detailed provisions in the Companies Acts (for LECs); in founding legislation and subsequent guidance to HIE issued by the Secretary of State for Scotland; and additional procedures put in place by HIE and LECs to cover specific situations.

Ensuring Openness

1. The Register of Interests is kept available to the public.
2. LEC or HIE decisions relating to financial transactions in which their Board Members have Registered Interests are noted with the LEC or HIE annual accounts and published in the respective annual reports.
3. Each LEC operates a policy of keeping current, publicly-available lists of financial assistance to their parties under its development programmes, including Finance for Business, Training, Community Action etc.
4. The Chief Executive can decide to temporarily exclude individual financial assistance cases from the public list to protect commercial confidentiality (on rare occasions where immediate publicity could threaten the competitive position of the recipient of assistance).

HIE Network, February 1994

Appendix 6

Competence and Accountability

NFHA Code of Governance

Introduction

This Code of Governance was adopted in September 1995 by the NFHA's National Council. It is intended for the guidance of NFHA members, so that they can continue to follow the highest standards of governance, accountability and probity, while responding to an environment of change and risk. The Code is the embodiment of the values underlying the voluntary housing movement.

The Code was drafted by the independent Inquiry into Housing Association Governance chaired by Sir David Hancock, which reported to the NFHA in March 1995. The NFHA then conducted a comprehensive consultation with members and prepared a revised draft. This was then considered and agreed by the Inquiry Panel, before final ratification by National Council.

The Code aims to support associations in being competent, accountable, independent and diverse. Its recommendations are meant as guidance to best practice, rather than instruction, and should not be seen as mandatory. In particular, small associations, specialist associations, and co-operatives are invited to interpret the spirit rather than the letter of sections that are less relevant to their needs. They should nonetheless consider the issues raised by the Code, take necessary action, and put it on record.

The Code states that associations should make an open annual disclosure of respects in which they choose to depart from its guidance, and their reasons for doing so. This follows the precedent of the Cadbury Code on governance of the corporate sector. Disclosure is not intended as a way of making compliance with the Code effectively mandatory. By making full and open disclosure, associations can record the ways in which they meet the spirit rather than the letter of the Code. However, without disclosure as suggested, the Code would risk becoming no more than a set of general exhortations to good practice.

The word 'Board', rather than 'Committee' is used throughout to refer to the governing bodies of associations. The term 'committees of the Board' is also used rather than 'sub-committees'. Although this must remain a matter for each association, the NFHA and the Inquiry Panel consider these terms more accurately reflect the responsibilities and duties involved.

Each section of the Code is prefaced by brief remarks in italics, which set out the intention of the section. Like this Introduction, these remarks are not formally a part of the Code, and are intended to assist with its interpretation and implementation.

David Bebb
Chair of the NFHA

Sir David Hancock
Chairman of the Governance Inquiry

1. PREAMBLE

1.1 This Code contains guidance for best practice in the governance of housing associations. Not all its recommendations will apply to all associations, because associations vary considerably in size and role. Even so, every association should consider all the issues in the Code, take action appropriate to its circumstances and record that action in published documents.

1.2 Associations should set out, in their annual report, a statement of whether they comply with this code and, if not, their reasons for non-compliance.

2. SHAREHOLDING MEMBERSHIP OF ASSOCIATIONS

Many associations have a shareholding membership, which elects the Board annually. Associations vary widely in their policies for admission to shareholding membership, and for the role of shareholders in governance. Shareholding membership, perhaps organised on the basis of constituencies to elect different groups of Board members, can be a good way of involving people in an association's work. However, it need not be regarded as the central element of all associations' systems of governance. The principal characteristics of good governance are defined in other sections of this Code.

2.1 Associations should review their policies for admission to shareholding membership and decide the purpose and role of shareholders in the association's governance.

2.2 The way in which shareholding members are chosen should realistically serve their role in governance, and contribute to the association's long-term constitutional stability.

3. CONSTITUTION OF THE BOARD

The Board of an association has ultimate primacy in the governance of the association, whether large or small. The Board's central role is to direct an association's work, that is to determine strategic direction and policies. Management, that is the implementation of Board policies, should be delegated to the association's paid staff. Board members of small associations with no or few staff may also have management responsibilities. This section of the Code seeks to define the responsibilities of Board members, and the ways in which Boards should ensure their continuing effectiveness; this needs clarity of purpose, and a focus on performance and renewal. To assist associations in planning Board renewal, a target of three new members is suggested in each successive three year period, except in the case of very small Boards.

3.1 The purpose of the Board is to direct an association's affairs: management should be delegated to the association's staff.

3.2 All Board members share responsibility for its decisions. Each should act only in the interests of the association and not on behalf of any constituency or interest group.

3.3 Board members should collectively possess the qualities required to take decisions and monitor the association's performance. Depending on the range of activities undertaken by the association, a Board will need experience and understanding of most or all of the following to discharge its responsibilities effectively:

- (a) the housing needs met by the association;
- (b) general business skills, including the management of staff and of property;
- (c) finance;
- (d) residents' issues and concerns;
- (e) community relations and needs, including equal opportunities;
- (f) working with local authorities;
- (g) making public presentations;
- (h) development and building; and
- (i) legal matters.

3.4 Boards should have at least seven members. Boards with more than 15 members (including co-optees) should, when reviewing their strengths and weaknesses (see 3.8), consider whether a smaller number of members would better serve the interests of effective decision-making.

3.5 The quorum should be the lesser of five voluntary Board members or 50% of the Board. Co-opted executives should not count towards a quorum.

3.6 The Chair of the Board should always be a voluntary member.

3.7 If executive staff are co-opted as Board members, they should be in a clear minority.

3.8 The Board should carry out a regular review of its own strengths and weaknesses in order to ensure its continuing effectiveness, and to satisfy the requirements of paragraph 3.3 above.

3.9 The Board should ensure that new members are recruited or elected on a systematic and continuous basis, and thus avoid bigger changes at infrequent intervals. The Board should decide and publish its policies for:

- (a) the recruitment or election of new members;
- (b) the required qualities, skills and experience of members; and, as considered necessary;
- (c) overall maximum terms of office for individual Board members, the Chair and other officers;
- (d) the period since the last term of office before an individual is eligible for re-election or reappointment; and
- (e) age limits, either absolute or after which annual re-election or reappointment is required.

3.10 Steps should be taken to identify potential Board members who may have no connection with the association or existing Board members. Advertising may be the best way of securing a wider choice of candidates.

3.11 Each Board member should be given a formal letter specifying a Board member's obligations, and should sign a copy to indicate acceptance. These should include obligations to:

- (a) uphold the values and objectives of the association;
- (b) uphold the association's core policies (including those for equal opportunities);
- (c) contribute to and share responsibility for the Board's decisions;
- (d) prepare for and attend meetings, training sessions and other events;
- (e) represent the association on occasion;
- (f) declare any relevant interests;
- (g) respect confidentiality of information; and
- (h) uphold the NFHA's Code of Governance.

3.12 The Board should ensure that all new members receive induction training and that effective arrangements are made to maintain and enhance the skills and motivation of all its members.

4. ESSENTIAL FUNCTIONS OF THE BOARD

This section sets out the core responsibilities of Boards. Board members of small associations with few or no staff will also have wider responsibilities for management.

4.1 The essential functions of the Board should be formally recorded in the association's rules or standing orders and should, as a minimum, include duties to:

- (a) define and ensure compliance with the values and objectives of the association;
- (b) establish policies and plans to achieve those objectives;
- (c) approve each year's budget and accounts prior to publication;
- (d) establish and oversee a framework of delegation and systems of control;
- (e) agree policies and make decisions on all matters that might create significant financial or other risk to the association, or which raise material issues of principle;
- (f) monitor the association's performance in relation to these plans, budgets, controls and decisions;

- (g) appoint (and, if necessary, dismiss) the Chief Executive and be represented in the appointment of key second-tier managers; and
- (h) satisfy itself that the association's affairs are conducted lawfully and in accordance with generally accepted standards of performance and propriety.

5. RESPONSIBILITIES OF THE CHAIR

The Chair of an association has particular duties and responsibilities, which are set out in this section. In carrying out these duties, the Chair should always remember that he or she is acting on behalf of the Board, and not in isolation.

5.1 The responsibilities of the Chair should be formally recorded, and should include as a minimum to:

- (a) ensure the efficient conduct of the Board's business and of the association's general meetings
- (b) ensure that all Board members are given the opportunity to express their views before any important decision is taken;
- (c) establish a constructive working relationship with, and provide support for, the Chief Executive;
- (d) ensure that the Board delegates sufficient authority to its committees, the Chair, the Chief Executive and others to enable the business of the association to be carried on effectively between meetings of the Board; and also to ensure that the Board monitors the use of these delegated powers;
- (e) ensure that the Board receives professional advice when it is needed;
- (f) ensure that the association complies with the other recommendations of this Code which are appropriate to its circumstances;
- (g) represent the association on occasion. and, working in consultation with other voluntary Board members, for instance with a small committee, to:
- (h) take decisions delegated to the Chair with the advice of the Chief Executive;
- (i) appraise the performance of the Chief Executive and to determine the remuneration of the Chief Executive and other senior staff;
- (j) review the composition of the Board and the skills of its individual members and to ensure that action is taken to remedy any deficiencies; and
- (k) ensure, when necessary, that the Chief Executive is replaced in a timely and orderly fashion.

6. CONDUCT OF THE BOARD'S BUSINESS

Effective conduct of Board business is vital to good governance. Without suitably clear and incisive documents, no Board can hope to make wise decisions. It is also a clear principle of good governance that all Board members should contribute to making decisions which may involve the association in significant financial or other risks, or which raise material issues of principle. Very occasionally, such decisions will be required urgently between meetings - governance systems must be robust enough to deal with these properly.

6.1 Board decisions should, wherever possible, be based on full agendas and documents circulated to members well in advance of meetings. Points for decision should be clearly identified in those documents. Decisions should be recorded in the minutes.

6.2 Each year, the Board should set aside time for a full discussion about the effectiveness with which it is conducting its business.

6.3 Urgent decisions should be taken in accordance with predetermined arrangements set out in standing orders. These arrangements should place on the Chair the responsibility, in the case of key decisions, to ensure that all the Board members are consulted whenever possible - by telephone or fax or

by other means. The fact that Board members were consulted and the views expressed should be formally recorded.

7. THE CHIEF EXECUTIVE

For associations employing staff, clear working arrangements between the Board and the Chief Executive are another key element of governance. Where the Secretary of the association is a member of staff other than the Chief Executive, certain specific duties in law attach to that post, concerning compliance matters and ensuring proper conduct of the association's business. However, the Chief Executive will have ultimate responsibility for that member of staff, and for ensuring that the duties are properly discharged. In all cases, clarity of roles is essential.

7.1 The essential duties of the Chief Executive should be to:

- (a) manage the affairs of the association in accordance with the values and objectives of the association, and the general policies and specific decisions of the Board;
- (b) help the Board determine the association's policies and strategy;
- (c) draw the Board's attention to matters that it should consider and decide;
- (d) ensure that the Board is given the information necessary to perform its duties and, in particular, that the Board receives advice on matters concerning compliance with its governing instrument, the law and the need to remain solvent;
- (e) ensure that proper systems of control are established and maintained;
- (f) supervise, with the guidance of the Chair, the preparation of documents for consideration by the Board;
- (g) help the Chair ensure that the business of the Board is properly conducted;
- (h) lead and manage the staff of the association and ensure that their performance is appraised; and
- (i) represent the association on occasion.

7.2 Like other employees, the Chief Executive should have a written contract of employment which, as well complying with current legislation (see 14.4), clearly defines:

- (a) his or her duties and the standards of performance expected;
- (b) the procedures for monitoring the Chief Executive's performance and fixing his or her remuneration;
- (c) how complaints and disciplinary matters will be dealt with; and
- (d) the length of the contract, whether or not it could be renewed (if it is for a fixed term) and any notice period.

8. COMMITTEES OF THE BOARD

Most large and medium-sized associations have committees to oversee specified areas of the association's work, whether on a geographical or functional basis. Some have specific delegated responsibilities, while others are consultative; in either case they can be a channel of communication with local communities and residents. This section sets out the principles that should apply to the work of committees. The work of audit committees is covered in section 12.

8.1 Associations should periodically review the committees reporting to the Board. Committee structures should be clear and streamlined.

8.2 Each committee should have clear terms of reference approved by the Board and should report regularly to the Board.

- 8.3 Associations with a dispersed geographical coverage should have regional, area or local committees.
- 8.4 Paid staff of an association should not chair any of its committees.
- 8.5 The responsibilities of committee chairs should be defined in documents approved by the Board.
- 8.6 In the case of dispute, the Board's decisions must override those of any committee; but the Chair of the committee responsible for audit should have the right to report any such decision to the external auditors (and where necessary to external regulatory bodies), after discussion at the Board about this proposed course of action.

9. OPENNESS

Housing associations should act in an open and accountable way in relation to their residents, local communities, local authorities and other interested parties. As a general rule, information about an association, its work, its Board and employees should be available unless there are good reasons of confidentiality or practicality why not. The recommendations in this section are clearly not comprehensive, and individual associations will wish to supplement them in various ways, such as newsletters, public consultation meetings and social audits.

9.1 Boards and employees of associations should accept an obligation to account for their actions in an open manner. Associations should publish information about their performance in addition to the prescribed reports on their finances.

9.2 The Board should publish an annual report of the association's activities and performance. This report should include details of:

- (a) the housing stock;
- (b) rent levels;
- (c) those housed by the association;
- (d) summary performance information;
- (e) the association's finances;
- (f) recruitment and selection procedures for Board members;
- (g) information about Board members and senior staff, including qualifications, year of birth and dates of appointment;
- (h) remuneration of senior staff, including details of performance-related elements; and
- (i) a statement of whether the association complies with this Code of Governance and, if not, the details of and reasons for non-compliance.

9.3 Associations should enter into agreements with local authorities and other organisations with a legitimate interest in the association's affairs. It is recognised that associations working in a large number of local authority areas will not find it practicable to conclude formal agreements with each and every council concerned. But such agreements with the association's main local authority partners are recommended.

9.4 Associations should comply with outside requests for information wherever practicable, for example, by providing the information described at 9.2 above separately by region or local authority area.

9.5 The Board should review the openness of the association's arrangements on a regular basis and take account of further developments of good practice.

10. INVOLVEMENT OF RESIDENTS

Associations balance the interests of a wide range of groups, and must be accountable in different ways to *residents, potential residents, local authorities and other community interests. But the involvement of residents must be a main focus of accountability. The way in which this is achieved will depend on the size and activities of the association, but all associations will need to adopt a comprehensive package of measures which meets the needs of their residents.*

10.1 All associations should adopt and publish their policies for involving residents in the decisions that affect their lives. Such policies should include:

- (a) an annual report for residents;
 - (b) a handbook for residents;
 - (c) a newsletter;
 - (d) monitoring to ensure a consistent service to residents across the organisation;
 - (e) the publication of service standards to enable residents to judge value for money;
 - (f) complaints procedures for residents and others;
- and in the case of larger and geographically dispersed associations:
- (g) effective delegation to the local level so that appropriate decisions are made close to those affected by them;
 - (h) the creation of residents' committees or councils, at the level of the region or local estate, as well for the association as a whole; and
 - (i) effective arrangements for consulting these committees or councils, as well as other consultation forums, and responding to their views.

11. EQUALITY OF OPPORTUNITY

Equality of opportunity is a core value for all associations. Much progress has been made towards achieving equality, but a continuing focus on the implementation and monitoring of policies will always be needed.

11.1 Each association should adopt a policy for equality of opportunity and publish it. The policy should promote equal opportunities in all areas of the association's work including:

- (a) identification and assessment of needs;
- (b) allocation of housing (and any other services);
- (c) provision of services;
- (d) membership and operation of the Board and any committees;
- (e) staff recruitment, training and conditions of service; and
- (f) the association's buying of goods and services and contracting procedures.

12. AUDIT

Effective audit is essential to good governance. This goes beyond traditional financial audit into all areas of an association's work. Standards of performance, service delivery and compliance should all be subject to some form of audit, if they are to remain effective. Larger and more complex associations will need to devote substantial time and resources to audit matters.

12.1 Every association should ensure that it observes the following principles that:

- (a) its external auditors must be independent and effective;
- (b) there should be a proper procedure for the selection and periodic review of the appointment of external auditors;
- (c) larger and medium-sized associations should have an audit committee, or should ensure that the finance committee can discharge the functions of an audit committee adequately; other associations should make effective arrangements for discharging the functions of an audit committee;
- (d) every association must have effective internal controls;

- (e) larger associations should have an effective internal audit service; others should make effective arrangements for discharging the internal audit function; and
- (f) points (a) to (e) above should be regularly reviewed and the outcome of each review reported to the Board.

12.2 The committee responsible for audit should meet at least twice a year, and its minutes should be available to all members of the Board. The committee must be able to meet without paid staff being present.

12.3 All associations should study the Housing Corporation's Code of Audit Practice and the Auditing Practices Board's Guidance for Internal Auditors, and should implement the recommendations of those documents which apply to them.

13. CONDUCT AND PROBITY

Housing associations have a reputation for high standards of conduct and probity. These standards are reinforced by legislation, the ethos of the voluntary housing movement and the provisions of associations' rules. In line with the section above on the need for openness, this section stresses the need for associations to move towards a regime in which actual and potential conflicts of interest, whether financial or more general, are formally recorded and available for public inspection.

13.1 Board members must ensure that their private or personal interests do not influence their decisions, and that they do not use their position to obtain personal gain of any sort.

13.2 Board members should be meticulous about declaring conflicts of interest. Associations should maintain records of the interests of Board members and senior staff and should make these available for public inspection.

13.3 When the Board discusses an item which poses a conflict of interest for any member or employee present, that person should declare the interest.

13.4 If the conflict is clear and substantial, the Board member should offer to withdraw and, if invited to remain, refrain from voting on the matter. Where such a conflict is likely to reoccur on a frequent basis, the Board member should offer to resign.

13.5 Resident Board members should regard matters specifically concerning their individual circumstances as a clear and substantial conflict; matters affecting residents more generally should be declared in the normal way.

13.6 Board members who are the paid staff or Board members of, or providing goods or services to, other housing associations, should declare conflicts of interest arising in the normal way.

13.7 The Board should establish a policy on the receipt of hospitality and gifts by Board members and staff to ensure that:

- (a) personal gifts with a significant monetary value are not accepted;
- (b) hospitality is not accepted if it could be seen as a way of exerting an improper influence over the association's decisions; and
- (c) gifts and hospitality are formally recorded in a register, apart from inexpensive items, such as working meals or free calendars.

14. REFERENCES

This section gives references to key documents referred to in the text of the Code.

14.1 Code of Audit Practice issued by the Housing Corporation (Circular HC 02/95).

14.2 Guidance for Internal Auditors issued by the Auditing Practices Board in June 1990.

14.3 Competence and Accountability - The Report of the Inquiry into Housing Association Governance published by the NFHA in March 1995.

14.4 TURERA (The Trades Union Reform and Employee Rights Act 1993) available from HMSO.

NFHA September 1995

THE CORE VALUES OF NFHA MEMBERS

Independence — We are a unique and independent third sector, neither public nor private, and strongly apolitical.

Voluntarism — We are ethical businesses that do not trade for profit, and those who control our affairs receive no personal gain for doing so.

Equality — We strive to provide full equality of opportunity in our provision of housing, employment and services.

Focus on need — We are socially motivated, and aim to help those in the greatest need, with affordable housing and services tailored to individual requirements.

Commitment — We serve communities as well as individuals, and have enduring local commitments, working in close partnership with local authorities, other government agencies and the private and voluntary sectors.

Performance — We seek excellence and cost-effectiveness in all our areas of work, devising innovative solutions to problems that arise.

Accountability — We are open to influence and involvement from our tenants, our partner organisations and other community interests.

Appendix 7

Abbreviations

ABCC	Association of British Chambers of Commerce
AGMAS	Association of Grant-Maintained and Aided Schools
AHGMS	Association of Heads of Grant-Maintained Schools
AfC	Association for Colleges
ALA	Association of Local Authorities
AUT	Association of University Teachers
C&AG	Comptroller and Auditor General
CAFAS	Campaign for Academic Freedom and Academic Standards
CCTE	Chamber of Commerce Training and Enterprise
CEF	Colleges Employers Forum
COSLA	Confederation of Local Authorities (Scotland)
CUC	Committee of University Chairmen
CVCP	Committee of Vice-chancellors and Principals
DBRW	Development Board for Rural Wales
DfEE	Department for Education and Employment
E-NDPBs	Executive Non-Departmental Public Bodies
ED	Employment Department (which merged with the Department for Education in July 1995 to form the Department for Education and Employment)
ERA	Education Reform Act 1988
FE	Further Education
FAM	Financial Appraisal and Monitoring (the appraisal system used by DfEE for TECs)
FAS	Funding Agency for Schools
FEFCE	Further Education Funding Council for England
GMBA	Grant-Maintained Bursars Association
GMS	Grant-Maintained Schools
GMSAC	Grant-Maintained Schools Advisory Committee
GMSF	Grant-Maintained Schools Foundation
GOR	Government Offices for the Regions
HA	Housing Association
HAG	Housing Association Grant
HC	Housing Corporation
HE	Higher Education
HEFCE	Higher Education Funding Council for England

HEQC	Higher Education Quality Council
HIE	Highlands and Islands Enterprise
IIP	Investors in People
ISCG	Institution for School and College Governors
JRF	Joseph Rowntree Foundation
LAS	Local Authorities
LEA	Local Education Authority
LEC	Local Enterprise Company
LMS	Local Management of Schools
LSVT	Large Scale Voluntary Transfer
NAGMP	National Association of Grant-Maintained Primary Schools
NAHT	National Association of Head Teachers
NAO	National Audit Office
NATFHE	National Association of Teachers in Further and Higher Education
NCVO	National Council for Voluntary Organisations
NDPB	Non Departmental Public Body
NFHA	National Federation of Housing Associations
NTTF	National Training Task Force
OFSTED	Office for Standards in Education
OHMCI	Office of Her Majesty's Chief Inspector
PAC	Public Accounts Committee
PFO	Principal Finance Officer
SCOP	Standing Conference of Principals
SCVO	Scottish Council for Voluntary Organisations
SE	Scottish Enterprise
SEN	Scottish Enterprise Network
SHA	Secondary Heads Association
SHEFC	Scottish Higher Education Funding Council
TEC	Training and Enterprise Council
WDA	Welsh Development Agency
WFC	Welsh Funding Councils

Appendix 8

Bibliography

Chapter 1

- 1 *Standards in Public Life, Cm 2850–1, HMSO, May 1995*
- 2 *Spending Public Money: Governance and Audit Issues, Cm 3179, HMSO, March 1996*

Chapter 2

- 1 *Guide for Members of Governing Bodies of Universities and Colleges in England and Wales, Committee of University Chairmen, June 1995*
- 2 *Guide for College Governors, FEFCE, May 1994*
- 3 *Guide for Governors of Further Education Colleges in Wales, Welsh Office 1996*
- 4 *Severance Payments to Senior Staff in the Publicly Funded Education Sector (Twenty-eighth Report of the Committee of Public Accounts (House of Commons 1994–95, 242))*
- 5 *College Governance: A Guide for Clerks, FEFC, March 1996*

Chapter 3

- 1 *The Rainbow Pack: A Guide for Governors & Managers of Grant-Maintained Schools, Funding Agency for Schools, 1995*
- 2 *Lessons in Teamwork Management Paper, Audit Commission, 1995, HMSO*
- 3 *Local Government Ombudsman Annual Report, 1994/95*
- 4 *School Governors: A Guide to the Law, DFE Revised Edition November 1994, HMSO*
- 5 *House of Commons Hansard, 1 May 1995, Column 63*
- 6 *Value for Money at Grant-Maintained Schools in England: A Review of Performance, (Twenty-third Report of the Committee of Public Accounts, HC 225, 17 May 1995)*
- 7 *See 1.2 above*
- 8 *A Manual for Clerks and Governing Bodies, ISCG, 1995*

Chapter 4

- 1 *Employment for the 1990's, Cm 540, HMSO, December 1988*
- 2 *A New Approach to Training and Enterprise Creation, Scottish Enterprise, Cm 534, HMSO, December 1988*
- 3 *The Operation of the Enterprise Agencies and the LECs, Scottish Affairs Committee, HC 339–1, HMSO, 23 March 1995*
- 4 *The Work of the TECs, Employment Committee, HC 133–iii, HMSO, 9 May 1995*
- 5 *Efficiency Scrutiny — The TEC Contract and Management Fee Final Report, DfEE, December 1995*
- 6 *See 3 above*
- 7 *TECs and their Boards, DfEE Research Series No.64, October 1995*
- 8 *See 1.2 above*

Chapter 5

- 1 *Our Future Homes, Opportunity, Choice, Responsibility. The Government's Housing Policies for England and Wales. Cm 2901 HMSO June 1995*
- 2 *Housing Corporation: Financial Management of Housing Associations, Committee of Public Accounts Twentieth Report, HC 204, HMSO, 18 April 1994*
- 3 *See 1.2 above*

Chapter 6

- 1 *See 1.2 above*

About the Committee

Terms of Reference

The Prime Minister announced the setting up of the Committee on Standards in Public Life (the Nolan Committee) in the House of Commons on Tuesday 25 October 1994 with the following terms of reference:

“To examine current concerns about standards of conduct of all holders of public office, including arrangements relating to financial and commercial activities, and make recommendations as to any changes in present arrangements which might be required to ensure the highest standards of propriety in public life.

“For these purposes, public life should include Ministers, civil servants and advisers, Members of Parliament and UK Members of the European Parliament, members and senior officers of all non-departmental public bodies and of national health service bodies, non-ministerial office holders, members and other senior officers of other bodies discharging publicly-funded functions, and elected members and senior officers of local authorities.” (Hansard 25 October 1994, col 758)

The Prime Minister made it clear that the remit of the Committee does not extend to investigating individual allegations of misconduct. The Committee on Standards in Public Life has been constituted as a standing body with its members appointed for three years.

Committee Membership

The Rt. Hon. The Lord Nolan

Lord of Appeal in Ordinary (Chairman)

Sir Clifford Boulton GCB
Sir Martin Jacomb
Professor Anthony King
The Rt. Hon. Tom King CH MP
The Rt. Hon. Peter Shore MP

The Rt. Hon.
The Lord Thomson of Monifieth KT DL
Sir William Utting CB
Dame Anne Warburton DCVO CMG
Diana Warwick

The Committee is assisted by a small secretariat:

Alan Riddell (*Secretary*), Martin Le Jeune (*Assistant Secretary*),
Andrew Brewster, Vance Duhaney, Steve Pares, Gertrude Bwona,
Sue Carr, Julie Botley, Peter Rose (*Press Secretary*).

Expenditure

The estimated gross expenditure of the Committee on this study to the end of April 1996 is £420,354. This includes staff costs, the cost of printing and distributing (mid-July 1995) 25,000 copies of a paper setting out the key issues and questions the Committee would be dealing with in its second report and costs associated with public hearings which were held at Central Hall Westminster from 14 November 1995 to 13 December 1995; the Park Hotel, Cardiff on 23 and 24 January 1996; and the Hilton National, Edinburgh, on 30 and 31 January 1996.

