

# Code of Practice for Board Members

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Version 2



July 2019

# Document Control

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## Version History

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## Consultation History

Position	Organisation
Chief Legal Officer	Birmingham Organising Committee for the 2022 Commonwealth Games Ltd
Chief Executive Officer	Birmingham Organising Committee for the 2022 Commonwealth Games Ltd
Sponsor Department	Department for Digital, Culture, Media and Sport

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## Introduction

1. This Code of Practice (“the Code”) sets out the roles and responsibilities of the Board of Directors (“the Board”) of the Birmingham Organising Committee for the 2022 Commonwealth Games Ltd (“Birmingham 2022”).
2. The Code reflects the Board’s commitment to public service values. The Board will observe the highest standards of propriety, and demonstrate integrity, impartiality and objectivity with respect to the stewardship of public funds and the governance of Birmingham 2022.
3. This Code is intended to set out the principles upon which the Board will execute their respective duties and the behaviours that are expected of them. It is intended to complement the Articles of Association and be consistent with Birmingham 2022’s policies, in particular, the policy on Anti-Corruption, Fraud, Bribery, Gifts and Gratuities.
4. All Members of the Board will be provided with a personal copy of this Code and will be asked to confirm in writing their commitment to adhere to its terms.
5. In accordance with the Cabinet Office’s guidance Public Bodies: a Guide for Departments, Chapter 4 and Chapter 8, this Code has been approved by the Department for Digital, Culture, Media and Sport (DCMS), and will be made publicly available on Birmingham 2022’s website.

## The Board of Directors

6. In accordance with Birmingham 2022’s Articles of Association, and the Management Agreement between Birmingham 2022 and DCMS, the Board of Birmingham 2022 will consist of a maximum of fourteen Directors. The Directors will comprise the Chair and five non-executive directors (including the Deputy Chair), appointed pursuant to a public appointments process managed by DCMS on behalf of Birmingham 2022. There will also be eight nominee directors appointed as follows:
  - two Directors shall be appointed to office by DCMS;
  - one Director shall be appointed to office by the Host City;
  - one Director shall be appointed to office by West Midlands Combined Authority;
  - two Directors shall be appointed to office by the Commonwealth Games Association (CGA); and
  - two Directors shall be appointed to office by the Commonwealth Games Federation (CGF)

Decisions at Board Meetings are passed by at least seven Directors, providing the meeting is quorate. Neither the Chair nor any other Director shall have a casting vote if the number of votes is equal.

## The Role and Responsibilities of the Board of Directors

7. The Board exists to govern the organisation and ensure that it is well managed; it is not the role of the Board to manage Birmingham 2022 or to become involved in any activity that falls within the remit of management. It is the role of the Board to agree the parameters within which Birmingham 2022 will be managed, thereby leaving the Executive Team of Birmingham 2022 to manage within the confines of this framework.
8. The Board must ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control, and to assure itself of the effectiveness of the internal control and risk management systems.
9. The Board must also set up an Audit and Risk Assurance Committee chaired by a non-executive Director. The Audit and Risk Assurance Committee must support the Board and Accounting Officer (i.e. the CEO of Birmingham 2022) by providing advice and assurance on risk management, governance and internal control.
10. Where Birmingham 2022 proposes any remuneration arrangements for senior appointments outside of the Treasury approved remuneration strategy, then these will be considered by the Board for onward approval by HM Treasury / DCMS.
11. The Board is specifically responsible for:
  - ensuring that Birmingham 2022 fulfils the aims and objectives set out in the Management Agreement and within the wider policy and resource requirements and guidance as determined by the Secretary of State.
  - determining the steps necessary to deal with any developments which are likely to affect Birmingham 2022's ability to fulfil its aims and objectives and keeping DCMS informed if any such developments arise;
  - ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority, within the policy and resources framework determined by the Secretary of State and any delegated authority agreed with DCMS, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board adheres to guidance issued by DCMS;
  - ensuring that the Board receives and reviews regular financial information concerning the management of Birmingham 2022; is informed in a timely manner about any concerns about the activities of Birmingham 2022; and provides positive assurance to DCMS that appropriate action has been taken on such concerns;
  - demonstrating high standards of corporate governance at all times, including using the Audit and Risk Assurance Committee to help the Board to address key financial and other risks;
  - in consultation with DCMS and in accordance with government guidelines, set remuneration terms linked to performance against objectives for the Chief Executive Officer;
  - ensuring that any public functions of Birmingham 2022 are carried out in compliance with statutory duties.

## **Non-Statutory Board Committees**

12. The Board may delegate any of its functions to any committee, but in so doing, it must be assured of the appropriateness of this delegation and the ability of the committee to undertake the function.

## **Principles for Establishing Non-Statutory Board Committees**

13. A formal committee of the Board is a committee that is established by the Board, has delegated powers to carry out Board level work and reports to the Board on a range of agreed outputs.

14. The Board will only resolve to establish a non-statutory committee on the following basis:

- There is an identified need to delegate an area of Board level responsibility that cannot be delegated to an individual within their role and cannot be accommodated within the existing statutory committee structure.
- Committees will be established on a task and finish basis; their usefulness and life cycle will be reviewed on a regular basis and they will be disestablished at the earliest opportunity.
- They will only carry out Board level work on behalf of the Board and will not deal with any operational or managerial issues.
- The Terms of Reference for the committee must explicitly delegate and fully describe the responsibilities of the committee, the expected outcomes and the expectations around reporting to the Board.

## **The Role and Responsibilities of the Chair**

15. The Chair is responsible to the Secretary of State for ensuring that Birmingham 2022 fulfils its duties as set out in the Management Agreement, that where appropriate Birmingham 2022's policies are consistent with those of the Secretary of State, and that Birmingham 2022's affairs are conducted with probity. The Chair is also responsible for good governance and for ensuring that the principles set out in the 'Department's Guidance on Board Appraisal Processes for ALBs' are followed. A copy of this guidance is provided at Appendix B.

16. In addition, the Chair has the following leadership responsibilities:

- formulating the Board's strategy for discharging its statutory duties;
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the responsible minister or DCMS;
- ensuring that the Board, in reaching decisions, takes proper account of the requirements of applicable law;
- supporting the Accounting Officer in promoting the efficient and effective use of staff and other resources;

- supporting the Accounting Officer in delivering high standards of regularity and propriety; and
- representing the views of the Board to the general public.

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

- the performance of the Board and its individual Members are reviewed annually and operate effectively and to instigate remedial action should this not be the case;
- the Board has a balance of skills appropriate to directing Birmingham 2022 business, as set out in the Cabinet Office guidance 'Principles of Good Corporate Governance' (excerpt provided at Annex C);
- Board Members are fully briefed and understand their terms of appointment, duties, rights and responsibilities;
- when required, he or she, together with the other Board Members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the responsible minister is advised of Birmingham 2022's needs when Board vacancies arise;
- he or she assesses the performance of individual Board Members when being considered for re-appointment;
- 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.
- ensuring that the principles covered in the Codes of Conduct for Board Members and Staff are upheld.

## **Deputy Chair Responsibilities**

18. The Chair will delegate the above responsibilities to the Deputy Chair as and when required.

## **The Role of the Chief Executive Officer with Respect to the Board**

19. The Chief Executive Officer (CEO) is also the Accounting Officer for Birmingham 2022, and is appointed by the Chair of the Board following discussion with the DCMS Permanent Secretary. The CEO is accountable for leading the Executive Team of Birmingham 2022 and for ensuring that Birmingham 2022 is managed in accordance with its aims and objectives. The CEO will work with Board Members to develop and promote these values and will ensure that effective working relationships are established between Birmingham 2022 and its stakeholders.

20. In the role of Accounting Officer, the Chief Executive Officer will:

- advise the Board on the discharge of its responsibilities as set out in the Management Agreement and in any other relevant instructions and guidance that may be issued.

- advise the Board on Birmingham 2022's performance compared with its aims and objectives.
- ensure that financial considerations are taken fully into account by the Board at all stages in reaching and executing decisions, and that financial appraisal techniques are followed.
- take action if the Board or its Chair is contemplating a course of action involving a transaction which the Chief Executive Officer considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency, or effectiveness, questionable feasibility, or is unethical.

## Birmingham Organising Committee Governance Framework

21. The overarching document that governs the duties of Birmingham 2022 derive from the Management Agreement between Birmingham 2022 and DCMS.
22. The Chair and other Directors of the Board should each have a copy of the following governance framework documents and relevant supporting material:
- Management Agreement held with DCMS
  - Host City Contract
  - Each Committee's Terms of Reference
  - Travel and Expenses Policy, of Birmingham 2022
  - Anti-Corruption, Counter-Fraud, Bribery, Gifts and Gratuities Policy, of Birmingham 2022
  - Reserved Matters for the Board schedule

## Code of Practice

23. This Code comprises adherence to the following documents:
- The Seven Principles of Public Life
  - Code of Conduct for Board Members of Public Bodies, June 2019
  - Rules on Lobbying for Non-Departmental Public Bodies (NDPBs)
  - Principles of Good Corporate Governance (provided at Annex C)

## The Seven Principles of Public Life

24. The Board is committed to abiding by the seven principles of public life identified by the Nolan Committee, and will publicly renew its commitment to doing so on an annual basis. The requirements set out within this Code of Practice reflect the importance that the Board attaches to these values and its commitment to embedding them throughout Birmingham 2022.
- **Selflessness** - Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

- **Integrity** - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might, or might be perceived to, influence them in the performance of their official duties.
- **Objectivity** - In carrying out public business, including awarding contracts and recommending individuals for rewards and benefits, Holders of public office should make choices on merit.
- **Accountability** - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate for their office.
- **Openness** - Holders of public office should be as open as possible about the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- **Honesty** - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Leadership** - Holders of public office should promote and support these principles by leadership and example.

25. These principles apply to all aspects of public life and should inform the actions and decisions of Board Members.

## **Code of Conduct for Board Member of Public Bodies**

26. The Government expects all holders of public office to work to the highest personal and professional standards. In support of this, all non-executive Board Members of UK public bodies must abide by the principles set out in the Cabinet Office's Code of Conduct for Board Members of Public Bodies, June 2019.

27. The Code sets out, clearly and openly, the standards expected from those who serve on the Boards of UK public bodies and as such forms part of Board Members' conditions of appointment. Any breach of the Code should be viewed as a breach of those conditions of appointment.

28. The Code of Conduct for Board Members of Public Bodies is incorporated into this Code.

### **General Conduct**

29. Board Members will give a personal commitment to comply at all times with this Code. They will also commit to complying with Birmingham 2022's policies, and in particular, the Anti-Corruption, Fraud, Bribery, Gifts and Gratuities Policy. Failure to adhere to these requirements may result in removal from office.



30. Board Members will be expected to attend any necessary training commensurate with their roles to ensure that individually and collectively they are able to execute their roles and responsibilities effectively.

### **Use of Public Funds**

31. Board Members have a duty to ensure the safeguarding of public funds (including all forms of receipts from fees, charges and other sources) and the proper custody of assets which have been publicly funded.
32. Board Members must carry out their fiduciary obligations responsibly – that is, take appropriate measures to ensure that Birmingham 2022 uses resources efficiently, economically and effectively, avoiding waste and extravagance. It will always be an improper use of public funds for public bodies to employ consultants or other companies to lobby Parliament, Government or political parties.

### **Allowances**

33. Board Members must comply with the rules set by the Board and Birmingham 2022 regarding remuneration, allowances and expenses. Board Members must ensure they comply with all relevant HM Revenues and Customs' requirements concerning payments, including expenses.
34. When claiming for travel and expenses, Board Members must comply with Birmingham 2022's Travel and Expense Policy. Expenses incurred by the Chair, Board or Committee Members must be pre-approved by the Chief Executive Officer. It is also the responsibility of Board Members to ensure compliance with all relevant HM Revenue and Customs' requirements concerning payments, including expenses.
35. Board Members' allowances and expenses will be published on Birmingham 2022 website.

### **Gifts and Hospitality**

36. Board Members must not accept any gifts or hospitality which might, or might reasonably appear to, compromise their personal judgement or integrity or place them under an improper obligation.
37. Board Members must never canvass or seek gifts or hospitality.
38. Board Members must comply with the rules set by Birmingham 2022 on the acceptance of gifts and hospitality, as detailed in Birmingham 2022's Anti-Corruption, Fraud, Bribery, Gifts and Gratuities Policy. They should inform the Chief Legal Officer of Birmingham 2022 of any offer of gifts or hospitality and ensure that, where a gift or hospitality is accepted, this is recorded in the Register of Gifts and Hospitality in line with the rules set by Birmingham 2022.

39. Board Members are responsible for their decisions on the acceptance of gifts and/or hospitality and for ensuring that any gifts or hospitality accepted can stand up to public scrutiny and do not bring Birmingham 2022 into disrepute.

### **Use of Official Resources**

40. Board Members must not misuse official resources for personal gain or for political purposes. Use of such resources must be in line with Birmingham 2022's rules on their usage. Official resources include facilities, equipment, stationery, telephony and other services.

### **Use of Official Information**

41. Board Members must not misuse information gained in the course of their public service for personal gain or for political purpose. Board Members who misuse information gained by virtue of their position may be liable for breach of confidence under common law or may commit a criminal offence under insider dealing legislation.
42. Board Members will ensure that any information that is provided to them in confidence or is discussed confidentially, or is marked as confidential, is kept strictly confidential and not disclosed without authority. If any Member is found to have breached confidence then sanctions may follow which may result in removal from office. This duty continues to apply after Members have left the Board.
43. The Freedom of Information Act 2000 gives a general right of access to all types of recorded information held by public authorities, sets out exemptions from that right and places a number of obligations on those authorities. Board Members should be aware that communication relating to Board business may be subject to disclosure under the Freedom of Information Act.

### **Political Activity**

44. Any Board Member who is a Member of Parliament, a Member of the House of Lords, a Member of a Devolved Administration or Local Councillor, is exempt from the requirements relating to political activity - although they should still exercise proper discretion on matters directly related to the work of Birmingham 2022 and recognise that certain political activities may be incompatible with their role as a Board Member.
45. In their public role, Board Members should be, and be seen to be, politically impartial. They should not occupy a paid party political post or hold a particularly sensitive or high-profile role in a political party. They should abstain from all controversial political activity and comply with Cabinet Office rules on attendance at party conferences<sup>1</sup> and on conduct during the period prior to elections and referendums, whether local or national.<sup>2</sup>
46. On matters directly related to the work of Birmingham 2022, Board Members should not make political statements or engage in any other political activity.

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<sup>1</sup> <https://www.gov.uk/government/publications/civil-servants-and-party-conferences-guidance>

<sup>2</sup> <https://www.gov.uk/government/publications/election-guidance-for-civil-servants>

47. In their official capacity, Board Members should be even-handed in all dealings with political parties.
48. Subject to the above, Board Members may engage in political activity but should, at all times, remain conscious of their responsibilities as a Board Member and exercise proper discretion. Board Members should inform the Chair of Birmingham 2022, the Chief Executive Officer and/or the Department for Digital, Culture, Media and Sport (DCMS) before undertaking any significant political activity.
49. Board Members who are an MP, Member of the House of Lords, Member of a devolved legislature, directly elected mayor, local councillor or crime commissioner are exempt from these requirements. There is no bar on such representatives taking a political party whip relating to their political role. Such Board Members must exercise proper discretion on matters directly related to the work of Birmingham 2022 and recognise that certain political activities may be incompatible with their role as a Board Member. Board Members must not allow themselves to become embroiled in matters of political controversy.

### **Employment and Appointments**

50. Board Members who wish to take up new employment or appointments during their term of office, must inform the Chair and/or DCMS, and allow them the opportunity to comment. Care should be taken if Board Members accept additional public appointments to ensure that they are not being paid twice from the public purse for the same time.
51. In the event of leaving office prior to the dissolution of Birmingham 2022 following the delivery of the 2022 Commonwealth Games, Board Members must comply with the rules of Birmingham 2022 on the acceptance of future employment or appointments.

### **Members' Interests**

52. When accepting an appointment to Birmingham 2022, Board Members should consider if any conflicts of interest arise from their private interests or by virtue of any other roles they may hold. They must consider, with advice from DCMS, how these should best be managed and agree these with Birmingham 2022.
53. Board Members must ensure that no conflict arises, or could reasonably be perceived to arise, between their public duties and their private interests – financial or otherwise.
54. All Board Members are required to declare any relevant interests that they have upon appointment / election and are under a continuing duty to advise the Chief Legal Officer of Birmingham 2022 of any new interests that may arise during the course of their term of office.
55. The term 'interest' is defined as having an interest in the financial success or otherwise of any organisation or body that is seeking to do business with Birmingham 2022. Interests which are relevant and material include, but are not limited to:
- Directorships and employment of other companies or organisations

- Shareholdings and ownership interests in other companies or organisations
- Details of any sponsorship or financial or material support received from any companies or organisations
- Any connection with a company or organisation contracting for Birmingham 2022 services or business
- Non-executive Board positions and voluntary positions
- Other positions of authority in other companies or organisations or on advisory groups that may do business with Birmingham 2022
- Involvement in the recruitment of people they know

56. The Chief Legal Officer will write to all new Board Members seeking this information as soon as is practicable after appointment and a written or email response is required using the form provided at Appendix A.
57. The Register of Interests of Board Members is maintained by the Chief Legal Officer and will be reported to the Board when requested. The Register will also be made available on Birmingham 2022's website.
58. Board Members must comply with the rules of Birmingham 2022 on handling conflicts of interest, as detailed within Article 18, of Birmingham 2022's Articles of Association. As a minimum, these require Board Members to declare publicly in Birmingham 2022's Register of Members' Interests any private financial, or non-financial interests of their own, or of close family members, which may, or may be perceived to, conflict with their public duties. In general, all financial interests should be declared. When considering what non-financial interests should be declared, Board Members should ask themselves whether a member of the public, acting reasonably, would consider that the interest in question might influence their words, actions or decisions.
59. The rules also require Board Members to remove themselves from the discussion or determination of matters in which they have a financial interest. In matters in which they have a non-financial interest, they should not participate in the discussion or determination of a matter where the interest might suggest a danger of bias.
60. It is the responsibility of Board Members to ensure that they are familiar with Birmingham 2022's rules on handling conflicts of interests, that they comply with these rules and that their entry in Birmingham 2022's Register of Interests of Board Members is accurate and up-to-date.

### **Responsibilities as a Board Member, Including Non-Executive Chairs**

61. Board Members should play a full and active role in the work of Birmingham 2022. They should fulfil their duties and responsibilities responsibly and, at all times, act in good faith and in the best interests of Birmingham 2022. They will not act in a manner that is detrimental to Birmingham 2022.
62. Board Members should promote an inclusive and diverse culture in Birmingham 2022 and their actions should help create an environment where different perspectives and backgrounds are encouraged and valued

63. Board Members should deal with the public and their affairs fairly, efficiently, promptly, effectively and sensitively, to the best of their ability. They must not act in a way that unjustifiably favours or discriminates against particular individuals or interests.
64. Board Members must not harass, bully or act inappropriately towards or discriminate towards others. Such behaviour is not consistent with what is expected of Board Members and will not be tolerated.
65. Board Members must comply with any statutory or administrative requirements relating to their post. Birmingham 2022 has been incorporated under the Companies Act, and so Board Members will also be subject to the duties of directors under company law.
66. Board Members will ensure that decisions are made on a fully transparent basis and in the interests of Birmingham 2022 and the wider community.
67. Board Members should respect the principle of collective decision-making and corporate responsibility. This means that, once the Board has made a decision, Members should support that decision.
68. When commenting on matters related to Birmingham 2022, Board Members will co-ordinate their comments with their fellow Board Members and, unless otherwise agreed, reflect the agreed position of the Board. In the event of unsolicited contact by the media, Board Members should alert Birmingham 2022's Media and PR Manager.
69. Board Members must not publicly state personal opinions on matters under active consideration by the Board. Board Members must also have regard for the circumstances, and audience, when making private comments, and act accordingly.
70. Board Members must not use, or attempt to use, the opportunity of public service to promote their personal interests or those of any connected person, firm, business or other organisation.
71. Board Members must inform DCMS of any bankruptcy, current police investigation, unspent criminal conviction or disqualification as a company director in advance of appointment, or should any such instance occur during their appointment.
72. Board Members must also inform DCMS of any change in their circumstances which results in them becoming bankrupt, subject to a police investigation, convicted of a criminal offence or disqualified from being a company director.

## **Social Media**

73. Social media is a public forum and the same considerations, including the provisions of this Code, apply as they would to speaking in public or writing something for publication, either officially or in a personal capacity. When engaging with social media, Board Members must at all times respect confidentiality, financial, legal and personal information. They must ensure their presence on social media platforms is always appropriate to their role and is not detrimental to Birmingham 2022.

74. Where any personal social media accounts used by Board Members make reference or link to their public role, they should take care to ensure that it is clear in what capacity they are acting.

### **Raising Concerns**

75. Board Members should ensure that Birmingham 2022 has an open, transparent and safe working environment where employees feel able to speak up and raise concerns, and complaints procedures are clearly communicated to them.

76. If any Board Member has a concern about a possible breach of this Code, a concern that they or any staff of Birmingham 2022 are being asked to act in contravention of their own code of conduct, or a concern about misconduct or wrongdoing in any other areas, then they have a responsibility to raise internally with the Chair of Birmingham 2022 or the Permanent Secretary of DCMS, as appropriate.

### **Expected Behaviours at Board Meetings**

77. Board Members will normally attend all Board meetings for the duration of the meeting. Attendance at Board and Board Committee meetings will form part of the annual appraisal process for Board Members.

78. Board Members will be familiar with the content of all papers and will devote their full attention for the duration of the meeting.

79. Board Members will remain at all times polite, courteous and respectful during meetings and will allow other Members to contribute to the meeting and express their views.

80. The Board will ensure that the mechanisms that are in place for the approval of policies are robust and lead to safe decision-making.

81. The Board will make all financial decisions in line with Birmingham 2022's Financial Management Policy and Financial Regulations Policy and will ensure that all such decisions will be to the benefit of staff, Birmingham 2022 and the wider community.

82. The Board will ensure that it is effectively governing the organisation.

### **Responsibilities Towards Employees**

83. Board Members will treat all Birmingham 2022 employees with courtesy and respect. It is expected that employees will show Board Members the same consideration in return.

84. Board Members will not ask or encourage employees to act in any way which would conflict with their own Staff Code of Conduct.

## **Rules on Lobbying for Non-Departmental Public Bodies**

85. The rules set out below reflect the principles that public bodies must be politically impartial and must at all times ensure the proper use of public money. It is a requirement of the NDPB review process that the Department for Digital, Culture, Media and Sport (DCMS) assure compliance with these restrictions on a regular basis.
86. All Board Members must comply with the rules on lobbying for non-departmental public bodies.

### **Advertising**

87. Birmingham 2022 and its Board Members must comply with Government conventions on publicity and advertising. They should ensure that any publicity or advertising is:
- relevant to their responsibilities;
  - objective and explanatory;
  - not party political and not liable to misrepresentation as being party political;
  - produced and distributed in an economic and relevant way, having regard to the need to justify the costs as proper expenditure of public funds.
88. The Board must seek advice from DCMS in all cases where the use of publicity and advertising might be regarded as novel or contentious.

### **PR and Marketing**

89. Birmingham 2022 shall engage PR and Marketing consultants as appropriate in a compliant manner.
90. Birmingham 2022 must never employ external firms or consultants to influence or attempt to influence Parliament, Government or political parties. (This includes firms and consultants engaged in “political consultancy”, “stakeholder management”, “strategic communications”, “public affairs”, “policy tracking”, “advocacy”, “strategic counsel” and “engagement with public policy makers and opinion formers”.) This includes attempting to influence the awarding or renewal of contracts and grants and attempting to influence legislative or regulatory action. To do so would be a clear misuse of public money.

### **Attendance at Party Conference**

91. Birmingham 2022 must abide by Cabinet Office rules on attendance at party conferences. As the rules make clear, it should be exceptional for Board Members or staff to attend party conferences in an official capacity. Any requests to attend must be approved by both DCMS and the Cabinet Office.

## References

- Anti-Corruption, Fraud, Bribery, Gifts and Gratuities Policy, Birmingham 2022
- Financial Management Policy, Birmingham 2022
- Financial Regulations Policy, Birmingham 2022
- Travel and Expense Policy, Birmingham 2022
- Articles of Association, Birmingham Organising Committee for the 2022 Commonwealth Games Ltd, 2 November 2018
- Code of Conduct for Board Members of Public Bodies, The Cabinet Office, June 2019
- Ethical Standards for Providers of Public Services, Committee on Standards in Public Life, June 2014
- Public Bodies: A Guide for Departments, Chapter 4 & Chapter 8, The Cabinet Office, June 2006
- Corporate Governance in Central Government Departments: Code of Good Practice, The Cabinet Office, April 2017
- The Seven Principles of Public Life, Committee on Standards in Public Life, May 1995
- Tailored Reviews: Guidance on Reviews of Public Bodies, Annex C: Principles of Good Corporate Governance, November 2016



## Appendix A

### Company Directors Register of Members' Interests

Please insert 'none' where you have no interests under any heading

#### Personal details:

Name	
Position	
Date form completed	

#### Relevant interests

##### Directorships

Name of organisation	Nature of organisation	Details of directorship

##### Employment

Name of organisation	Nature of organisation	Details of employment

##### Non-Executive Board Positions and Voluntary Positions

Name of organisation	Nature of organisation	Details

##### Political activity

Name of organisation	Nature of organisation	Details

##### Details of any sponsorship or financial or material support that you receive from an organisation.

Name of organisation	Details of financial or material support

##### Details of any organisation in which you hold a total investment or other interest which has a value over £25,000 or which accounts for more than 1/100<sup>th</sup> of the issued shares or securities of that organisation, or of any class of such shares or securities

Name of organisation	Details of financial or material interests

**Details of any other interests, including the significant interests of family and friends, which might affect the carrying out of your duties at Birmingham Organising Committee for the 2022 Commonwealth Games Limited (“Birmingham 2022”), or which might be perceived by a reasonable member of the public as doing so.**

Any other relevant interests	Details

<b>Declaration</b>
<p>The information that I have provided is accurate, up to date and complete. I agree that I will provide further information to Birmingham 2022 on any of the above matters in the event that any circumstances change or the information I have given changes, or I become aware of any further information which should be included in this declaration.</p> <p><b>Signed:</b> _____</p> <p><b>Date:</b> _____</p>

Please return to:

Caroline McGrory  
 Chief Legal Officer  
 Birmingham Organising Committee for the 2022 Commonwealth Games Ltd  
 One Brindley Place  
 Birmingham  
 B1 2JB

# Department for Digital, Culture, Media and Sport Guidance on the Board Appraisal Process for Arms-Length Bodies

## Overview

There are four critical appraisal processes which shape the contribution of the Board (collectively and individually), and increase its effectiveness, by building on current strengths, and identifying and preparing for future challenges, they are:

- The annual appraisal of the Board by the Chair
- The annual appraisal of the Non-Executives by the Chair
- The annual appraisal of the CEO by the Chair and/or ALB Lead Non-Executive
- The annual appraisal of the Chair by the ALB Lead Non-Executive.

This guidance has been produced by the DCMS to encourage ALB Boards to optimise their contribution and improve their governance and recommends that all ALB Boards follow this guidance. It is not prescriptive with regards to methodology but is based on the principle that there are clear expectations and objectives for the Board, the Non-Executives, the CEO, and the Chair, and that performance against these objectives is reviewed annually through an appraisal process. It also recommends the appointment of a Lead Non-Executive, in line with the Senior Independent Director model used widely in the private sector. The description of this role, and guidance on the appraisal processes, have been drawn from a number of sources, including the Financial Reporting Council's Guidance on Board effectiveness.

## Terminology

Board - refers to the Non-Executive Board governing an ALB.

Non-Executive - is the generic term used in this guidance for Members of all ALB Non-Executive Boards. These may be known variously as trustees, Board Members, or commissioners across different organisations.

## Scope

This guidance is intended for use by all DCMS Executive NDPBs and other unclassified ALBs. In some circumstances DCMS may want to discuss the outcomes.

## The Annual Appraisal of the Board by the Chair

The Board should review its own effectiveness annually through an appraisal process, led by the Chair. Common themes would include:

- Board and Committee Time (forward agenda, quality of information, and level of support)
- Board and Committee Contribution (dynamics, roles, relationships, behaviours, and culture) and Composition Planning
- Board and Committee Engagement with strategy and execution, risk and control, people (remuneration, leadership development, succession), and stakeholders
- Opportunities for Improvement (discussed with the whole Board).

External facilitation every 2-3 years may also be a useful option to introduce a fresh perspective and share best practice. It may also be useful in particular circumstances, for example following the appointment of a new Chair.

### **The Annual Appraisal of the Non-Executives by the Chair**

There should be a formal appraisal process of the Non-Executives, led by the Chair. Common themes would include:

- Time Commitment
- Relevant Knowledge and Experience
- Approach and Behaviour
- Diversity of View
- Relationship with CEO, Chair and the Board
- Opportunities for Improvement (discussed with the individual).

### **The Annual Appraisal of the Chair by the Lead Non-Executive**

A formal appraisal process of the Chair, led by the Lead Non-Executive, is best practice, and considered to be an essential part of good governance in the private sector. The role of the Chair is critical to the Board and the ALB; it is essential that the Chair understands how to continue to improve and develop through constructive feedback. It is helpful to include input from the Board, the Executive and key stakeholders. Common themes would include:

- Board Leadership
- Relationship with CEO
- Relationship with Stakeholders
- Workings of the Board
- Mentoring/induction of New Board Members
- Opportunities for Improvement

### **The Annual Appraisal of the CEO by the Chair and/or Lead Non-Executive**

A formal appraisal process of the CEO, led by the Chair and/or Lead Non-Executive, is best practice. It is helpful to include input from the Board, the Executive and key stakeholders. Common themes would include:

- Performance of the ALB
- Strategic thinking and talent management
- Relationship with stakeholders
- Leadership of the Senior Management Team
- Relationship with Chair and Board
- Opportunities for Improvement

### **Appointment of a Lead Non-Executive**

ALB Boards should identify a Lead Non-Executive from their number and inform the DCMS. The Lead Non-Executive should be a sounding Board for the Chair, provide support in the delivery of his or her objectives, and lead on the evaluation of the Chair's performance. The Lead Non-Executive would take also responsibility for an orderly succession process for the Chair. The Lead Non-Executive role becomes critically important when the Board is undergoing a period of stress. He or she is expected to work with the Chair, Board Members, DCMS, and other stakeholders to resolve any significant issues, for example, if there are issues with the relationship between the Chair and CEO, or where the Board is not functioning as effectively as it should.

## Appendix C

### Selected excerpts from 'Non-Departmental Public Bodies: Principles of Good Corporate Governance, Annex C: Principles of Good Corporate Governance'

#### Role of the Board - Principles

The public body is led by an effective Board which has collective responsibility for the overall performance and success of the body. The Board provides strategic leadership, direction, support and guidance.

The Board and its committees have an appropriate balance of skills, experience, independence and knowledge.

There is a clear division of roles and responsibilities between non-executive and executives. No one individual has unchallenged decision-making powers.

#### Supporting Provisions:

- The Board of the public body should:
  - meet regularly;
  - retain effective control over the body; and
  - effectively monitor the senior management team.
- The size of the Board should be appropriate.
- Board Members should be drawn from a wide range of diverse backgrounds.
- The Board should establish a framework of strategic control (or scheme of delegated or reserved powers). This should specify which matters are specifically reserved for the collective decision of the Board. This framework must be understood by all Board Members and by the senior management team. It should be regularly reviewed and refreshed.
- The Board should establish formal procedural and financial regulations to govern the conduct of its business.
- The Board should establish appropriate arrangements to ensure that it has access to all such relevant information, advice and resources as is necessary to enable it to carry out its role effectively.
- The Board should make a senior executive responsible for ensuring that appropriate advice is given to it on all financial matters.
- The Board should make a senior executive responsible for ensuring that Board procedures are followed and that all applicable statutes and regulations and other relevant statements of best practice are complied with.
- Where Birmingham 2022 proposes any remuneration arrangements for senior appointments outside of Birmingham 2022 treasury approved remuneration strategy, then these will be considered by the Board for onward approval by HM Treasury / DCMS. Information on senior salaries should be published. The Board should ensure that the body's rules for recruitment and management of staff provide for appointment and advancement on merit.
- The Chief Executive Officer should be accountable to the Board for the ultimate performance of the public body and for the implementation of the Board's policies. He or she should be responsible for the day-to-day management of the body and should have line responsibility for all aspects of executive management.
- There should be an annual evaluation of the performance of the Board and its committees – and of the chair and individual Board Members.

## **Role of the Chair - Principle**

The chair is responsible for leadership of the Board and for ensuring its overall effectiveness.

### **Supporting Provisions**

- The Board should be led by a non-executive chair.
- There should be a formal, rigorous and transparent process for the appointment of the chair. This should be compliant with the code of practice issued by the Commissioner for Public Appointments. The chair should have a clearly defined role in the appointment of non-executive Board Members.
- The duties, role and responsibilities, terms of office and remuneration of the chair should be set out clearly and formally defined in writing. Terms and conditions must be in line with Cabinet Office guidance and with any statutory requirements. The responsibilities of the chair will normally include:
  - representing the public body in discussions with Ministers;
  - advising the sponsoring department and Ministers about Board appointments and the performance of individual non-executive Board Members;
  - ensuring that non-executive Board Members have a proper knowledge and understanding of their corporate role and responsibilities. The chair should ensure that new Members undergo a proper induction process and is normally responsible for undertaking an annual assessment of non-executive Board Members' performance;
  - ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the sponsoring department or ministers;
  - ensuring that the Board carries out its business efficiently and effectively;
  - representing the views of the Board to the general public; and
  - developing an effective working relationship with the Chief Executive Officer and other senior staff.
- The roles of chair and Chief Executive Officer should be held by different individuals.

## **Role of Non-Executive Board Members - Principle**

As part of their role, non-executive Board Members provide independent and constructive challenge.

### **Supporting Provisions**

- There should be a majority of non-executive Members on the Board.
- There should be a formal, rigorous and transparent process for the appointment of non-executive Members of the Board. This should be compliant with the code of practice issued by the Commissioner for Public Appointments.
- The duties, role and responsibilities, terms of office and remuneration of non-executive Board Members should be set out clearly and formally defined in writing. Terms and conditions must be in line with Cabinet Office guidance and with any statutory requirements. The corporate responsibilities of non-executive Board Members (including the chair) will normally include:
  - establishing the strategic direction of the public body (within a policy and resources framework agreed with Ministers);
  - overseeing the development and implementation of strategies, plans and priorities;

- overseeing the development and review of key performance targets, including financial targets;
- ensuring that the body complies with all statutory and administrative requirements on the use of public funds;
- ensuring that the Board operates within the limits of its statutory authority and any delegated authority agreed with the sponsoring department;
- ensuring that high standards of corporate governance are observed at all times. This should include ensuring that the body operates in an open, accountable and responsive way; and
- representing the Board at meetings and events as required.
- All non-executive Board Members must be properly independent of management.
- All non-executive Board Members must allocate sufficient time to the Board to discharge their responsibilities effectively. Details of Board attendance should be published (with an accompanying narrative as appropriate).
- There should be a proper induction process for new Board Members. This should be led by the chair. There should be regular reviews by the chair of individual members' training and development needs.

### **Conduct and Behaviour - Principle**

The Board and staff of the public body work to the highest personal and professional standards. They promote the values of the body and of good governance through their conduct and behaviour.

### **Supporting Provisions**

#### **Conduct**

- A code of conduct must be in place setting out the standards of personal and professional behaviour expected of all Board Members. This should follow the Cabinet Office code. All Members should be aware of the code. The code should form part of the terms and conditions of appointment.
- The body has adopted a code of conduct for staff. This is based on the Cabinet Office model code. All staff should be aware of the provisions of the code. The code should form part of the terms and conditions of employment.
- There are clear rules and procedures in place for managing conflicts of interest. There is a publicly available register of interests for Board Members and senior staff. This is regularly updated.
- There are clear rules and guidelines in place on political activity for Board Members and staff. There are effective systems in place to ensure compliance with any restrictions.
- There are rules in place for Board Members and senior staff on the acceptance of appointments or employment after resignation or retirement. These are effectively enforced.
- Whistleblowing procedures consistent with the Public Interest Disclosure Act are in place.

#### **Leadership**

Board members and senior staff should show leadership by conducting themselves in accordance with the highest standards of personal and professional behaviour and in line with the principles set out in respective codes of conduct.