

# **Strategic Investment Board Ltd Board Code of Conduct**

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## 1. INTRODUCTION

1.1 This Code of Conduct is for members of the Board of Strategic Investment Board Ltd (SIB), referred to collectively as Board Members. It is based on the Nolan Principles and guidance produced by the Department of Finance (DoF)<sup>1</sup>. The behaviour and actions of Board members must be governed by the principles set out in this Code of Conduct, which forms part of the terms and conditions of appointment. It is each Board member's responsibility to ensure that he or she is familiar with, and complies with, the relevant provisions of the Code. Any breach of the Code may be viewed as a breach of the terms and conditions of a Board member's appointment.

## 2. PURPOSE

2.1 The purpose of this Code of Conduct is to:

- provide a clear framework within which Board Members are expected to conduct themselves;
- ensure Board Members know the standards of behaviour that are required of them;
- ensure the maintenance of high standards of conduct so that the public, the Minister, The Executive Office (TEO) and other stakeholders can have confidence in SIB and its governance arrangements; and
- protect Board Members from unfair criticism and minimise the potential for misunderstandings.

## 3. POLICY

3.1 Board Members are expected to uphold and comply with the seven principles of public life (the Nolan Principles). The principles are set out below:

- **Selflessness** – Board Members should act in the public interest at all times and take decisions based solely in terms of the public interest. Board Members should not act in order to gain financial or other material benefits for themselves, their families or their friends, or use, or attempt to use, the opportunity of public service to promote personal interests or those of any connected person, firm, business or other organisation.

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<sup>1</sup> <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/fddfp0414att.pdf> (April 2014)

- **Integrity** – Board Members should not place themselves under any financial or other obligation to outside individuals or organisation that might influence them in the performance of their SIB duties and responsibilities.
- **Objectivity** – in carrying out SIB business, including approving appointments, determining remuneration or other rewards and benefits Board Members should make choices based on merit and should not allow any private interest to influence decisions.
- **Accountability** – Board Members are accountable for their decisions and actions and must submit themselves to whatever scrutiny is appropriate to their role.
- **Openness** – Board Members should be as open as possible about the decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it or where there are clear and lawful reasons for doing so.
- **Honesty** – Board Members have a duty to declare any private interests that might affect their SIB duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Leadership** – Board Members should promote and support these principles by leadership and example and be prepared to challenge poor behaviour whenever it occurs.

#### 4. RESPONSIBILITIES

- 4.1 Board Members' primary responsibility is to ensure SIB fulfils its duties as set out in the Strategic Investment and Regeneration of Sites (NI) Order 2003. They also have corporate responsibility for ensuring that SIB fulfils the requirements of the First and deputy First Ministers as expressed in the annual Letter of Expectations and for promoting the efficient, economic and effective use of staff and other resources by SIB. Further information on the responsibilities of Board Members is set out in the TEO/SIB Partnership Agreement.
- 4.2 Board Members are expected to play an active role in the work of SIB, fulfilling their duties and responsibilities responsibly and, at all times, acting in good faith and in the best interests of SIB. They must respect the principle of collective decision-making and corporate responsibility.

- 4.3 As a body incorporated under the Companies Act, Board members must discharge the duties of directors under company law.
- 4.4 To this end, and in pursuit of its wider corporate responsibilities, the Board and its Members shall:
- establish the overall strategic direction for SIB within the policy and resources framework determined by the sponsor Ministers and TEO;
  - constructively challenge SIB's CEO and senior leadership team in their planning, target setting and delivery of performance;
  - ensure that TEO is kept informed of any changes which are likely to impact on SIB's strategic direction or on the attainability of SIB's targets, and determine the steps needed to deal with such changes;
  - ensure that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and delegated authority;
  - take into account all relevant guidance issued by the Department of Finance and Personnel and the sponsor department;
  - ensure that the Board receives and reviews regular financial information concerning SIB's management; is informed in a timely manner of any concerns about the activities of SIB; and provides positive assurance to TEO that appropriate action has been taken on such concerns;
  - demonstrate high standards of corporate governance at all times, including using the Audit and Risk Assurance Committee to help the Board to address the key financial and other risks facing SIB; and
  - when necessary, appoint (with the Minister's approval) a Chief Executive.
- 4.5 Board Members must deal with the public and their affairs fairly, efficiently, promptly, effectively and sensitively, and to the best of their ability. They must not act in a way that unjustifiably favours or discriminates against particular individuals or interests.
- 4.6 Board Members must comply with all statutory or administrative requirements associated with their appointment and avoid all conflicts of interest (see below).

## **5. USE OF PUBLIC FUNDS**

5.1 Board Members have a duty to ensure the safeguarding of public funds and the proper custody of assets which have been publicly funded. Board Members must carry out their fiduciary obligations responsibly. They must take appropriate measures to ensure that SIB 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 the Assembly, Ministers or political parties.

## **6. ALLOWANCES**

6.1 Board Members must comply with the rules set by TEO and SIB regarding remuneration, allowances and expenses. Payment and taxation of these will be in line with relevant HM Revenue and Customs (HMRC) and DoF guidance. Ultimately, however it is the responsibility of individual Board Members to ensure compliance with all relevant HMRC requirements concerning payments, including expenses.

## **7. CONFLICTS OF INTEREST**

7.1 Board Members must comply with the SIB Conflict of Interest Policy and associated guidance. They must ensure that no conflict arises, or could reasonably be perceived to arise, between their public duties and private interests, financial or otherwise. Actual or potential interests, financial or otherwise, which may, or may be perceived to, conflict with public duties must be declared at the start of every meeting so that they can be managed in a way that safeguards the integrity of the Board Member and maximises public confidence in SIB. Board Members are responsible for ensuring that their Declarations of Interest are accurate and up to date. The register of such interests will be published on the SIB web site.

7.2 Interests which may need to be declared can include:

- Remuneration from employment, self-employment, directorships or other public appointments;
- Related undertakings (Board members must register any directorships held which are themselves not remunerated but where the company (or other undertaking) in question is a subsidiary or parent of a company (or other undertaking) in which they hold a remunerated directorship;
- Contracts with the public body;

- Houses, land and buildings that you own or have an interest in, which are of significance or relevance to, or bear upon the work and operation of the public body;
- Shares and securities – holdings in a company or organisation which are of significance to or relevance to, or bear upon the work and operation of the public body.
- Relevant non-financial interests including membership or holding office in other public bodies, clubs, societies and organisations such as Trade Unions and voluntary organisations.
- Cases in which a close family members or persons living in the same household as the Board Member may have an interest. Close family members include personal partners, parents, children (adult and minor) brothers, sisters and the personal partners of any of these.

7.3 If Board members are in any doubt as to what they should or should not be registering or declaring they should discuss this with the Chair and the Chief Executive.

7.4 The rules will 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.

7.5 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.

7.6 In certain situations, handling a conflict of interest properly may require much more than simply leaving a Board meeting while the matter is being discussed or voted upon. For example, Board Members who have a conflict of interest should:

- not be involved in the setting of criteria for the assessment of a grant or tender;
- not be involved in the actual preparation of the grant, tender, license application (or subsequent presentations, interviews);
- not receive any relevant papers in advance of the meeting;

- not be present for the discussion or voting or receive any minutes relating to that part of the meeting; and
- not use their position as a Board Member to try and improperly influence a decision by lobbying any other Board Member(s) or by contacting another Board Member to represent their interests at the meeting.

7.7 It is extremely important that there should be a level playing field with no advantage (real or perceived) given to Board Members or to individuals or organisations with Board connections.

7.8 It is Board members' responsibility to ensure that they are familiar with SIB's rules on handling conflicts of interests, that they comply with these rules and that their entries in the body's register of Board Members' interests are accurate and up-to-date.

7.9 No Code can provide for all circumstances and if a Board member is uncertain about how any aspect of the Code of Conduct applies, he or she should seek advice from the Chair and the Chief Executive who, in turn, may seek advice from TEO.

## **8. GIFTS AND HOSPITALITY**

8.1 Board Members must ensure that any gifts or hospitality accepted can stand up to public scrutiny and do not bring SIB's probity into question. 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. Board Members must never canvass or seek gifts or hospitality.

8.2 SIB will maintain a Register of Gifts and Hospitality. Board members must comply with the rules set by SIB on the acceptance of gifts and hospitality, which are in line with current DFP guidance. You should ensure that, where a gift or hospitality that arises from your position as a member of the SIB Board is accepted that this is notified to the Chair, copied to the CEO and recorded in the register. Notwithstanding such notification and recording, Board members are responsible for their own decisions on the acceptance of gifts or hospitality and for ensuring that any gifts or hospitality accepted can stand up to public scrutiny and does not bring SIB into disrepute.

8.3 The Chair of the Audit Committee will review the Hospitality and Gifts Register every six months and the full Committee will review it annually. This Register is published on the SIB website annually.

## **9. USE OF OFFICIAL RESOURCES**

9.1 Board Members must not misuse official resources for personal gain or for political purposes. Use of such resources must be in line with SIB's rules on their usage. Any questions concerning appropriate usage of such resources should be directed to the Chair and CEO.

## **10. USE OF OFFICIAL OR COMMERCIALY SENSITIVE INFORMATION**

10.1 Board Members must not misuse information gained in the course of their public service for personal gain or for political purpose and must not disclose any information which is confidential in nature or which is provided in confidence without authority. This duty continues to apply after members have left the Board.

10.2 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.

## **11. POLITICAL ACTIVITY<sup>2</sup>**

11.1 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. On matters directly related to the work of SIB they should not make political statements or engage in any other political activity. In their official capacity they should be even-handed in all dealings with political parties.

11.2 Subject to the above, Board Members may engage in limited political activity but should, at all times, remain conscious of their responsibilities as Board Members and exercise proper discretion. They should inform the Chair and TEO before undertaking any political activity.

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<sup>2</sup> DoF guidance states that a Board Member who is an MP, a Member of the House of Lords, a Member of the Northern Ireland Assembly or other devolved administration or Local Councillor, is exempt from these requirements, although he/she should still exercise proper discretion on matters directly related to the work of the body and recognise that certain political activities may be incompatible with their role as a Board Member. Under the terms of The Northern Ireland Assembly Disqualification Act 1975 MLAs are disqualified from being Board Members.



## **12. EMPLOYMENT AND APPOINTMENTS**

- 12.1 Board Members who wish to take up new employment or appointments during their term of office must inform the Chair who may consult TEO. The Chair will give consideration as to whether such additional appointments are compatible with membership of the SIB Board.
- 12.2 On leaving office, Board Members should continue to observe their duty of confidentiality and comply with the rules of SIB on the acceptance of future employment or appointments.

## **13. RESPONSIBILITIES TOWARDS SIB EMPLOYEES**

- 13.1 Board Members must treat staff employed by SIB with courtesy and respect.
- 13.2 Board Members must not ask, or encourage, employees to act in any way which would conflict with the Code of Conduct for SIB Staff.

## **14. AUTHORITY**

- 14.1 The Chair of the Board has overall responsibility for the Code of Conduct for Board Members.
- 14.2 The CEO, in conjunction with the Chair, is responsible for dissemination of the policy and for ensuring its regular review.
- 14.3 Any Board Member who is uncertain about any aspect of the Code of Conduct and how it applies to their particular circumstances or who requires further information should contact the Chair in the first instance.