

# NEW EAST MANCHESTER CODE OF CONDUCT

## 1 INTRODUCTION

- 1.1 This Code of Conduct is designed to assist the New East Manchester Board members in the effective and efficient discharge of their duties as Directors of the Company. This Code supplements and supports the Company's Memorandum and Articles of Association.
- 1.2 The Code has been developed in line with the seven principles described in the Nolan Committee Report on Standards in Public Life:-

### **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 influence them in the performance of their official duties.

### **Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or 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 to their office;

### **Openness**

Holders of public office should be as open as possible about all 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; and

### **Leadership**

Holders of public office should promote and support these principles by leadership and example.

- 1.3 NEM is accountable to local residents, funding partners and Communities and Local Government (CLG) for the stewardship of public funds and is committed to ensuring that Board members and staff observe the highest standards of impartiality, integrity and objectivity in relation to the investment of public funds and management of the Company.
- 1.4 One of the main tasks of the Board is the implementation of the Strategic Regeneration Framework and oversight of the production of the associated Implementation Plan(s). This is the basis for agreeing with partners the policy and resources framework within which NEM will discharge its duties, and for determining key strategic objectives and targets.
- 1.5 NEM will maximise value for money through ensuring the most efficient and economical use of resources with an emphasis on the delivery of the agreed targets to achieve the objectives set out in the Strategic Regeneration Framework and the related Implementation Plan(s), with independent validation of performance wherever practicable.
- 1.6 New East Manchester is committed to treating everyone fairly, and strives to achieve equality for the diverse mix of communities that make up the East Manchester area. NEM will strive to promote East Manchester as an attractive, diverse and exciting multicultural area in which people want to live, visit and invest.
- 1.7 NEM will not discriminate on the grounds of age, colour, disability, ethnic origin, gender, sexuality or on any other unjustifiable grounds both in terms of operational matters or programme management and delivery.

## **2 ROLES AND RESPONSIBILITIES**

### **Responsibilities of the Chair and Chief Executive**

- 2.1 Communications between the Board and other parties will normally be through the Chair except where the Board has agreed that an individual member should act on its behalf.
- 2.2 The main point of contact between the NEM and CLG on day-to-day matters will normally be the Chief Executive, members of the Strategic Management Group (SMG) or other members of staff who are so authorised.
- 2.3 All Members of the Board, when taking up office should be fully briefed by the Chief Executive or other nominated member of staff on the terms of their appointment, their duties and responsibilities. This briefing should include a copy of this Code of Conduct as well as other relevant background material (such as the Memorandum and Articles of Association; the latest Implementation Plan and Annual Report and Accounts; and Policy and Procedures Manual describing NEM's organisational structure, statutory basis of operation and rules and procedures applying to staff and the Board.
- 2.4 The Chair has particular responsibility for providing effective strategic leadership on matters such as:-
  - formulating the Board's strategy for discharging its statutory duties;
  - representing the views of the Board to the general public;
  - ensuring that the Board, in reaching decisions, takes proper account of guidance provided by English Partnerships (or its successor body), the North West Regional Development Agency and / or CLG;
  - ensuring high standards of propriety and promoting efficient and effective use of staff and other resources throughout the company; and
  - providing an annual assessment of performance of the individual member and overall performance of the Board.

## **Corporate Responsibilities of Board Members**

2.5 Members' responsibilities include:-

- ensuring that NEM complies with all relevant statutory or administrative requirements for the use of public funds;
- establishing the overall strategic direction of the organisation within the Strategic Regeneration Framework;
- ensuring that high standards of corporate governance are observed at all times;
- overseeing the delivery of planned results by monitoring performance against agreed strategic objectives and targets set out in the Implementation Plan against NEM's Key Performance Indicators; and
- ensuring that, in reaching decisions, the Board has taken into account any relevant guidance and the Memorandum and Articles of Association.

2.6 The Board has corporate responsibility for all actions taken by Board members, including any wrongful ones. This means that, if judgement is made against the Board, any financial settlement would normally be met out of public funds rather than from the personal assets of individual Board members.

## **Responsibilities of Individual Board Members**

2.7 Wider responsibilities of individual members of the Board include the duty to comply at all times with the Code of Conduct (or any agreed modification of it) and with rules relating to the use of public funds; and to act in good faith and in the best interests of NEM. Board members must not use information gained in the course of their public service to promote their private interests. All Board members are required to comply with the Board's rule on the acceptance of gifts and hospitality contained within the Policy and Procedures Manual.

2.8 The Board meets regularly throughout the year. Accurate minutes of those meetings are produced and maintained by the Company Secretariat to record decisions taken and, where appropriate, the views of individual Board members. The Board holds at least one extended meeting to review performance and consideration of future strategic direction and also holds an AGM, usually in September.

### **3 OPENNESS AND CONFIDENTIALITY**

- 3.1 The Board is responsible for providing funding partners with as full information as may be requested concerning their policy decisions and actions.
- 3.2 Board members and staff must conduct all dealings with the public in an open and responsive way and ensure full compliance with the Freedom of Information Act.
- 3.3 The Board must act consistently with regard to protecting confidentiality. No Board Director or staff member shall make any disclosure of any proceedings of the Board deemed confidential under 'Part B' of the agenda (containing information agreed by the Board as being exempt from publication). Nor must they use such information directly or indirectly for their personal benefit (or that of persons living with them or their close family, employer or business partner) whether during or after their tenure of office or employment. The following information exempt from disclosure:-

Information relating to any individual;

Information likely to reveal the identity of an individual;

Information relating to the personal, financial or business affairs of any particular person;

Information relating to any staffing or labour relations matter;

Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings;

Information that if released may jeopardise the Company's bargaining position and/or result in the less effective use of public money;

Information whose release may impede other on-going or future investigations;

Information in respect of residential or commercial developments where disclosure could prejudice the outcome of negotiations; and

Information that is scheduled to be published relatively soon as part of established procedures.

- 3.3 Decisions on which items should be included within 'Part B' lie with the Chief Executive in consultation with the Chair.
- 3.4 The Chief Executive is delegated with authority to regularly review items classified as being confidential under 'Part B' of the agenda and consider whether the circumstances that originally led to the classification have altered and whether the document should now be declassified and made available to the public.

## **4 CONFLICTS OF INTEREST**

- 4.1 New East Manchester is responsible for applying appropriate procedures to avoid actual and apparent conflicts of interest in its operations. This is essential to NEM's success, in view of the public/private nature of Urban Regeneration Companies and the importance of public and business confidence in its operation, management and external relationships and in probity at all times. Guidance on conflicts of interests sets out the basic requirements of good practice as applicable to all Board members, the Strategic Management Group of NEM and other senior officers.

### **Register of Members' Interests**

- 4.2 Board members are required to ensure that their interests are recorded in a Register of Interests as soon as they join the Board (and in any event within 28 days).
- 4.3 The register should be available to the public on request and this availability should be shown on the website and included in the Annual Report. This register should be updated annually by the Company Secretary in January.
- 4.4 If, as a result of the register being publicly available, a Board member is concerned that publicising particular interests may compromise commercial positions, s/he may seek advice from the Chair or Company Secretary as to whether the specific interests should not be excluded from the public register. These interests, should, nevertheless, remain on the record internally.
- 4.5 If a member subsequently becomes aware of any interests (as listed below) that are not already recorded on the register (or of any change to any such interests) these should be disclosed to the Chair and Company Secretary as soon as apparent (and in any event within 28 days). Before committing to any new interest, members should consider any possible effect on their existing role and ability to act.

### **Details to be recorded on Register**

- 4.6 The following details on declared interests should be recorded on the Register of Interests:
- name of anyone who is employing/has appointed the member
  - name of the firm in which member is a partner
  - name of the company for which member is a remunerated director;

- name of any person, other than New East Manchester Limited who has made a payment to the member in respect of his appointment or any expenses incurred by him in carrying out his duties;
- name of body with which s/he has indirect financial interest.

### **Declaration of Interests**

- 4.7 In Board meetings, Board members must ensure that their interests are declared as soon as practicable after the beginning of a meeting and minuted as appropriate in Board or Committee resolutions. One of the first items on each Board agenda will be Declaration of Interests. It is at the discretion of the Chair whether individual Board members should withdraw from a meeting during discussions of matters in which they have registered an interest.
- 4.8 Beyond this level, Board members should consider whether they need to disclose relevant non pecuniary interests or interests of other family members where members of the public might reasonably consider that these could influence the member's judgement or where participation in the discussion or determination of a matter would suggest a real danger of bias.
- 4.9 A Board member should declare any interest of which s/he is aware, which:-
- a. is significant or relevant to the work of NEM, in terms of volume, value or the nature and dealings of the business (interests in a commercial organisation or operation that is not active in the UK or the relevant region/locality may not be significant, and so need not necessarily be declared; the Chair or Company Secretary should be consulted where there is any doubt), **and either**
  - b. is an interest which members of the public might reasonably consider could influence the Board member's judgement, **or**
  - c. is an interest particular in or discussion or determination of, in relation to NEM's business, would suggest a real danger of bias.
- 4.10 Where a Board member has no knowledge of an interest and it is unreasonable to expect him/her to have such knowledge, it should not be treated as a declarable interest.
- 4.11 A list of interests that should be disclosed and recorded on the Register (if they meet the declaration criteria listed above) is set out below:-
- a. direct/indirect financial interests of the member

- b. employment or business carried out on by the member, which is or may be active in the area
- c. shareholding or non-financial interests of the member themselves in relevant companies and undertakings
- d. relevant interests of close members of the family of the Board member, where known
- e. known interests of persons living in the same household as the board member (whether or not family members)
- f. known interests of other persons connected with the Board member
- g. land in NEM's area:
  - i. which the member has a licence (alone or jointly with others) to occupy
  - ii. in which the member has a beneficial interest
  - iii. owned by a corporate body in whose securities the member has a beneficial interest
- h. land owned by the company where the tenant is a firm or company in which the members is partner or director
- i. business in the company's area owned by a corporate body in whose securities the member has a beneficial interest.

4.12 For the purpose of definition the following apply:

- a. Direct financial interest: where there is a direct interest that affects a Board member's financial resources
- b. Indirect financial interest: where a Board member has a connection with a body or person that has a direct financial interest in a particular company matter or activity or where a member is a business partner of, or is employed by such a body or person.
- c. Close family members: personal partners, parents, children, siblings and the personal partners of any of these.
- d. Connected: for any purpose defined under the 1985 Companies Act.

**Action required at meetings by member with relevant interest**

- 4.13 Relevant interests should be declared when or before discussions begin on the matter and the interest recorded in the minutes.
- 4.14 Unless the Board of NEM specifically resolves otherwise, the conflicted member should withdraw from the meeting for that item, and
  - a. Should not be counted in the quorum for that part of the meeting, and
  - b. Should not be entitled to vote on the matter.

## **5 DELEGATION**

- 5.1 The Board has agreed delegations to the Chief Executive for day-to-day Management of NEM, for example, for project approval. Financial delegations are outlined in the financial section of the Policies and Procedures Manual.
  
- 5.2 The Board may also decide to delegate responsibility for specified matters to individual members, or committees or sub-groups of the Board, for example the Finance Sub Committee to deal with financial and audit matters. The Board reserves to itself issues of corporate strategy; key strategic objectives and targets; major decisions involving the use of financial and other resources; and personnel issues such as key appointments and standards of conduct.

## **6 ACCOUNTABILITY FOR PUBLIC FUNDS**

- 6.1 Members of the Board have a duty to ensure that public funds are properly safeguarded and that, at all times, NEM conducts its operations as economically, efficiently and effectively as possible, with full regard to the relevant statutory provisions.
- 6.2 Members of the Board are responsible for ensuring that NEM does not exceed its powers or functions, including any limitations on its authority to incur expenditure. They are normally advised on these matters by the Chief Executive.

### **Annual Report and Accounts**

- 6.3 As part of its responsibilities for the use of public funds, the Board will ensure that a full statement of the use of such resources is included NEM's Annual Report and Accounts.

### **Audit**

- 6.4 A Finance Sub Committee has been established and is chaired by a member of the Board, other than the Chair of the Board. It is responsible for audit and financial review of the company's accounts.

### **The Board as Employer**

- 6.5 The Board has taken steps to ensure that it complies with all relevant employment legislation and that it employs suitably qualified staff who will discharge their responsibilities in accordance with the high standards expected of staff employed by such bodies.
- 6.6 The Board has taken steps to ensure that its members, and NEM's staff, have access to expert advice and suitable training opportunities which they may require in order to exercise their responsibilities effectively.