



Welcome to the Board

**Induction and Support for
Non-Departmental Public
Body Board Members**

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Introduction

Introduction

This guidance has been developed in response to a recommendation made by the Cabinet Office Short Life Working Group (SLWG) on Improving Diversity in Public Appointments and endorsed by Ministers in November 2003. The recommendation was that the Cabinet Office should identify best practice in welcome, induction and on-going support for new NDPB (Non-Departmental Public Body) members; that departments should ask their NDPBs to follow this model (modified locally as appropriate); and monitor implementation through the NDPB business planning processes.

The guidance details the steps that departments and NDPBs should consider to achieve an appropriate level of induction for all new board members. It is an approach that is likely to be most suitable for larger executive bodies.

A shorter and simpler induction process may suffice for smaller advisory bodies. Sponsor divisions and departments, working with the public body, will need to consider how best to adopt or adapt the approach given here to suit their own specific needs.

Induction should be seen as the first step in a programme of on-going support for board members. In the folder at the back of this publication is a list of further development opportunities to help departments and public bodies develop their own systematic approach. This list will be updated regularly by the Cabinet Office and the latest version can be downloaded from www.publicappointments.gov.uk/publications.

In line with the SLWG recommendation, departments will also need to monitor induction implementation and practice. Outline guidance can be found on page 11.

At the back of this guidance are a number of annexes. These include papers that departments and public bodies may wish to use in their induction packages and suggestions for further sources of information.

Acknowledgement

We are very grateful to the Scottish Executive and NHS Appointments Commission for their assistance and for their kind permission to make use of their own induction materials in preparing this guidance.

We would also like to thank the working group of departments for their comments and assistance in drawing this together.

Welcome

The Right Approach

Selecting the best available candidate is of course critical to the effective working of a public body, but the support offered post-appointment can be equally important.

The purpose of an induction process is to equip the individual with the information and tools they need to become effective and valuable board members as quickly as possible.

Induction programmes should match the needs of each board and requirements will vary.

Smaller advisory bodies may find that a discussion with the Chair, backed up with relevant documents is sufficient.

Larger bodies are likely to require a more systematic induction programme including: formal meetings; courses or other development events; meetings with executive staff and other board members; a programme of visits; and more comprehensive reading material.

Best practice indicates that induction should take place as soon as possible after an appointment has been made – and before the first board meeting takes place. The time scale will vary from board to board, but it is suggested that the aim should always be to complete the induction within three months of appointment.

On Appointment

The period following appointment is an important one for new board members of NDPBs.

The first contact and meetings with the public body and/or the sponsor team will define the member's immediate impression.

A clear and comprehensive welcome and induction will ensure that the new member is able to take up their responsibilities swiftly and to the benefit of the body.

Welcome Meeting

Soon after the appointment letter has been sent by the Minister (or other appointing body), the Chair of the public body should contact the new board member.

If possible, the Chair should hold a face-to-face welcome meeting. This meeting provides an opportunity to discuss in broad terms what is expected of the individual in the first year and any specific role he or she is expected to play.

The Chair should also explore with the new board member what they feel they are bringing to the board and how they can contribute. It is important that the new member feels the induction process is a two way event – not just something that is being done to them.

Induction Meetings

Induction Session

The welcome meeting should be followed up with a formal induction session.

Ideally this should take place within one month of appointment, and always before the first board meeting.

The induction session is usually run by the Chair and/or Chief Executive. If possible, existing board members should also attend to pass on their experience. Some other members of the senior management team may also be required, including the board secretary.

Best practice indicates that the induction sessions should cover three main areas: Strategic, Organisational and Individual. This section

includes a list of suggested topics. This is a general list and will need to be adapted to suit the requirements of each public body.

The induction process should be tailored to the needs of the new member. A less experienced board member, for example, may require support in more basic skills such as reading accounts. The induction session should explore these development needs and agree a plan to address them.

New members are also likely to have questions relating to their own circumstances. At Annex A is a list of some of the more frequently asked questions. Answers have not been included since each body will have its own arrangements. The list is intended simply as an aide memoire for departments when preparing their responses.

Induction session topics

Strategic

- The long-term strategy of the organisation
- The corporate planning system
- Current priority areas of work
- Budget and financial information, including the monitoring role of the Board, funding position and arrangements, Grant in Aid, governance (see Annex B)
- Explanation of key performance indicators
- Links between the public body and the sponsoring department, including details of the sponsor Minister(s) etc
- Links to other key partner organisations
- The public body's policies on openness – where appropriate, including the role of Board members in promoting the public body to the public and the media

Induction session topics – continued

Organisational

- Organisational structure
- The collective role of the Board
- Matters reserved for the Board and delegated authorities
- Details of any subsidiary boards and committees (eg Audit Committee) and their responsibilities
- Arrangements, formats etc of the Board meetings including details such as when papers are sent out, normal location of meetings, how long they last and an indication of the routine business transacted
- Public body's approach and policy on diversity

Individual

- Summary of individual responsibilities and ongoing obligations
- Standards of Behaviour including Principles of Public Life (see Annex C) and Public Service Values (Annex D)
- The organisation's Codes of Practice for Board members including:
- Conduct, including declaration of interests and conflicts of interest, hospitality, gifts and entertainment;
- Accountability; and
- Openness
- Arrangements for Board members' remuneration and expenses
- Training and Development plans and opportunities
- Details of performance appraisal arrangements
- Procedures for expressing any concerns (whistleblowing) – who to approach in the first instance

At Annex E is a list of further publications that departments may wish to offer new board members.

Induction Visits

It may be appropriate to arrange further induction meetings or visits. For example, where a board member has been given a specific role for research issues, they may wish to meet research staff; where they are to sit on the Audit Committee, they may wish to meet audit and finance staff etc.

Observer Meeting

The Chair may wish to invite the new board member to attend a board meeting as an observer before his/her formal term of appointment begins.

First Board Meeting

To help the new member to prepare for their first meeting, it is suggested that, in addition to the

general papers, they should be provided with:

- Biographical and contact details of all board members, including specific responsibilities.
- Minutes of the previous 3 – 6 meetings, not just the last meeting
- Forward programme of Board meeting dates and any other key events (press launches, conferences etc)

At the meeting, the new member should be introduced to all present. He or she should be made aware of any protocol, for example in relation to making points at meetings, presenting information and overall expectations as to behaviour (being inclusive, respecting others etc).

At the end of the meeting, the Chair should spend a few minutes with the new member to give them an opportunity to ask any questions or raise concerns.

Induction Materials

All new board members should be provided with relevant materials to support the induction process.

A comprehensive checklist is provided below. Departments are encouraged to select from the

list the materials suitable for each public body. Those marked in **bold** might be considered the key documents, with many of the others providing useful background. The new board member should be guided as to which documents are considered key.

Induction materials checklist

Publications

- The latest Annual Report and Accounts and interims as appropriate
- **Current strategic/business plan and budgets for the year with forecasts and plans as appropriate**
- Explanation of key performance indicators
- Any significant recent policy or consultation documents which the body has published
- The latest in-house magazine or newsletter
- The latest staff newsletter
- A list of any relevant/related publications

Background Materials

- A guide to the legislation under which the public body was established
- A copy of the management letter/grant-in-aid letter from the sponsor Minister for the coming year
- A copy of the public body's current Management Statement/Financial Memorandum
- **The organisation's Code of Conduct for Board members**
- Standing Orders for the conduct of Board meetings
- Organisational structure, staff directory, office addresses etc
- Details of the body's advisors (Solicitor, Banker etc)
- Summary of key roles and responsibilities within the organisation – Board, subsidiary Boards and committees, Chief Executive/Accountable Officer, management team, other senior staff
- Where a recent Policy and Financial Management Review (PFMR) has been carried out, a copy of the report and action plan
- The body's risk management procedures and relevant disaster recovery plans

In Addition

- A list of dos and don'ts for Board members in dealing with the media
- A list of key acronyms/abbreviations relating to the public body's area of work, partner organisations etc
- Protocol procedures and dress code for Board meetings, general meetings and formal dinners, staff social events, site visits etc including the involvement of partners where appropriate.

Chairs

Induction of Chairs

The induction of a new Chair will be the responsibility of the sponsor division and the Chief Executive of the body in question.

The Minister may also wish to be involved in welcoming the Chair and in discussions about the strategic direction of the body.

The induction of new Chairs will need to cover all the topics already mentioned.

In addition, there are some topics that are specific to new Chairs including:

Appraisal

Chairs are likely to be responsible for conducting performance appraisals for board members and

for the Chief Executive. Many new Chairs will have experience of appraising staff at this level. Even where this is the case it is essential that the Chair takes part in training to ensure that the appraisal process is carried out in a professional and developmental way.

Leadership

An important part of the induction process will be to explore with the Chair what experience they have and what training and development may be appropriate.

Recruitment selection

It is likely that the Chair will need/wish to be involved in the selection of other board members. Remember to check that he/she has undertaken appropriate training including diversity awareness training.

Development and Support

Induction should provide new board members with the information and training they need to take up their appointment as effectively as possible.

Induction is, however, only a starting point. It should be the first stage of further and regular development.

It is recommended that sponsor divisions and departments work alongside public bodies to ensure that all board members continue to develop their knowledge and skills.

Public bodies should be encouraged to assess their needs as part of the planning process and to include training and development as a regular agenda item.

Individual development needs, and development plans, should also be a key element in performance appraisal meetings.

It is likely that boards will wish to consider a variety of development opportunities and approaches. At the back of this booklet is a list of some of the courses and opportunities that are currently available. Some opportunities are aimed specifically at public bodies, others are designed with a more general audience in mind. All cover topics that may be of relevance or interest.

The list is by no means comprehensive. It is offered as a starting point for departments and public bodies to consider when developing their own plans.

Inclusion in the list does not imply endorsement or recommendation by the Cabinet Office.

Implementation and Monitoring

Induction programmes will need to be developed and implemented by each public body, supported by their sponsor team and the departmental Public Appointments Co-ordinator.

It will be for each department to introduce their own system, but it is likely that the Public Appointments Co-ordinator will be best placed to monitor implementation.

The Cabinet Office Short Life Working Group on Diversity also recommended that departments should monitor the implementation of induction through the NDPB business processes.

To help this process, below is a list of the likely division of responsibilities and required actions. This list is intended as a guide only.

Public Body

- Develop a suitable induction programme for new board members
- Prepare (and maintain) an induction pack of supporting materials
- Ensure that every new board member completes their induction within three months of appointment
- Inform the sponsor team once induction has been completed.
- Offer new board members suitable development and training opportunities
- Include induction and training and development as regular items on the board agenda.

Sponsor teams

- Build induction into the appointment process
- Discuss what induction will be offered as part of the planning of the appointment process
- Provide suitable support materials as required
- Check that induction has taken place and inform departmental public appointments co-ordinator
- Include induction and on-going support as a regular element in the business planning process.

Departmental Co-ordinators

- Advise and support sponsor teams on the development of induction programmes and packs
- Provide central information to the sponsor teams as appropriate (eg responses to Frequently Asked Questions)
- Ask sponsor teams to inform them once induction has been completed and maintain a record of this.
- Consider developing general induction materials and guidance suitable for all the public bodies sponsored by the department.

Annex A

Frequently Asked Questions

Taxes and Allowances

- Q Can I invoice for my services in order to receive my remuneration?
- Q Do I have to pay tax on my remuneration?
- Q Do I have to pay National Insurance contributions on my remuneration?
- Q Can I be paid extra for additional duties or time spent?
- Q Is my remuneration superannuable?
- Q Am I entitled to be paid when I am unable to perform my duties due to sickness, holidays or because of other commitments?
- Q Am I entitled to maternity/paternity leave and/or maternity benefits?
- Q The body is due to be dissolved and my appointment will be terminated automatically before the end of the period for which I was appointed. Am I entitled to compensation for the loss of remuneration for this period?
- Q Can I claim expenses for travelling from my house to board meetings?
- Q Will I be reimbursed for childcare or other dependent care expenses?
- Q I am losing out financially by serving on the board – can I be paid a financial loss allowance to compensate me?
- Q I have to entertain on behalf of the Board. Is it possible for me to be reimbursed?

Conflicts of Interest

- Q What constitutes a conflict of interest?
- Q How frequently should I update any entry in the register of interests?
- Q Should I register any gift I receive as a result of my appointment to the Board?

Other

- Q To what extent am I liable for the actions/decisions of the Board? What indemnity is available to me?
- Q Can I continue with my political activities?

Annex B

Good corporate governance: a checklist

ORGANISATIONAL STRUCTURES AND PROCESSES		
<i>Statutory Accountability</i>		
1	Has the Board established effective arrangements to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice?	Yes/No
<i>Accountability for Public Money</i>		
2	Has the Board established appropriate arrangements to ensure that public funds are: <ul style="list-style-type: none"> properly safeguarded? used economically, efficiently and effectively? used in accordance with the statutory or other authorities that govern their use? 	Yes/No
<i>Communication with Stakeholders</i>		
3	Has the Board established: <ul style="list-style-type: none"> clear channels of communication with the body's stakeholders? appropriate processes to ensure that such channels operate effectively in practice? 	Yes/No
4	Has the Board made an explicit commitment to openness in all the activities of the body? <ul style="list-style-type: none"> does the board hold open meetings to which the public are invited? make publicly available minutes of board meetings or other meetings? 	Yes/No
5	Does the Board: <ul style="list-style-type: none"> report publicly the processes for making appointments to the Board? make publicly available the names of all Board members, together with their relevant other interests? 	Yes/No
<i>Roles and Responsibilities</i>		
6	Is there a clearly defined division of responsibilities at senior management level?	Yes/No
7	Does the Board: <ul style="list-style-type: none"> meet regularly? retain full and effective control over the body? monitor the executive management? 	Yes/No
8.1	Has the Board established a framework of strategic control (or scheme of delegated or reserved powers)?	Yes/No
8.2	Does the framework of strategic control include a formal schedule of those matters specifically reserved for the collective decision of the Board?	Yes/No
8.3	Does the Board maintain an up-to date framework of strategic control?	Yes/No

ORGANISATIONAL STRUCTURES AND PROCESSES – contd		
9.1	Has the Board established clearly documented and understood management processes for: <ul style="list-style-type: none"> • policy development, implementation and review? • decision-making, monitoring, control and reporting? 	Yes/No
9.2	Has the Board established formal procedural and financial regulations to cover the conduct of its business?	Yes/No
10	Has the Board established 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?	Yes/No
11	Where the body is responsible for making appointments to the Board, are such appointments dealt with by the Board as a whole?	Yes/No
12	Is the role of the Chair formally defined in writing?	Yes/No
13.1	Are non-executive Board members: <ul style="list-style-type: none"> • independent of management? • free from any other relationships which may materially interfere with exercising an independent judgement on issues of strategy, performance, resources and standards of conduct? 	Yes/No
13.2	Are the duties, terms of office, remuneration and its review, of non-executive Board members defined clearly?	Yes/No
14.1	Does the Chief Executive have line responsibility for all aspects of executive management?	Yes/No
14.2	Is he or she accountable to the Board for the ultimate performance and implementation of the Board's policy?	Yes/No
15	Has the Board made a senior executive responsible for ensuring that appropriate advice is given to it on all financial matters?	Yes/No
16	Has the Board made 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?	Yes/No
17	Has the Board established a remuneration committee to make recommendations on the remuneration of top executives?	Yes/No

FINANCIAL REPORTING AND INTERNAL CONTROLS		
<i>Annual Reporting</i>		
18	Does the Board publish on a timely basis an objective, balanced and understandable annual report?	Yes/No
19	Does the Board include in its annual report a statement explaining its responsibility for the body's accounts?	Yes/No
20	Does the Board include in its annual report a statement confirming that it has complied with relevant standards or codes of corporate governance?	Yes/No
<i>Internal Controls</i>		
21	Has the Board taken steps to ensure that systems of internal control: <ul style="list-style-type: none"> • are established? • continue to operate in practice? 	Yes/No
22	Does the Board include in its annual report a statement on the effectiveness of the body's systems of internal control?	Yes/No
23	Has the Board taken steps to ensure that an effective internal audit function is established as part of the systems of internal control?	Yes/No
<i>Audit Committee</i>		
24	Has the Board established an audit committee with responsibility for the independent review of the systems of internal control and of the external audit process?	Yes/No
<i>External Auditors</i>		
25	Has the Board taken steps to ensure that an objective and professional relationship is maintained with the external auditors?	Yes/No

STANDARDS OF BEHAVIOUR*Leadership*

26	Has the Board taken steps to ensure that its members exercise leadership by conducting themselves in accordance with high standards of personal behaviour?	Yes/No
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Code of Conduct

27	Has the Board developed a formal code of conduct defining the standards of personal behaviour, to which individual Board members and all employees of the body are required to subscribe?	Yes/No
28	Has the Board established appropriate mechanisms to ensure that members and employees of the body are not influenced by prejudice, bias or conflicts of interest?	Yes/No

Annex C

Seven Principles of 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 other 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

- *Leadership*

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

Annex D

Public Service Values

- observe the highest standards of propriety involving **impartiality, integrity and objectivity** in relation to the stewardship of public funds and the management of the bodies concerned;
- maximise **value for money** through ensuring that services are delivered in the most economical, efficient and economical way, within available resources, and with independent validation of performance achieved wherever practicable;
- be **accountable** to Parliament, users of services, individual citizens and staff for the activities of the bodies concerned, their stewardship of public funds and the extent to which key performance targets and objectives have been met;
- in accordance with Government policy on **openness**, comply fully with the principles of the Citizen's Charter and the Code of Practice on Access to Government Information.

Annex E

Additional resources

Maximising Board Effectiveness: A Toolkit for Departments and Agencies published by the Government's Centre for Management and Policy Studies (CMPS). This publication explores the human aspect of board effectiveness. It includes good practice guidelines, a self-assessment questionnaire and departmental case studies and examples.

On Board, A Guide for Board Members of Public Bodies in Scotland published by the Scottish Executive and available at their website (www.scottishexecutive.gov.uk/library5/social/obgbm-00.asp) covers principles of corporate governance and public life, organisational structures and processes, financial reporting and internal controls and standards and behaviour.

[Note: This publication refers to NDPBs in a devolved administration and therefore sections referring to the Scottish Executive, Scottish Parliament etc will not be relevant to public bodies operating in England and Wales. However the principles covered remain applicable.]

CIPFA produce an English version of *On Board, A Guide for Board Members of NDPBs in England*, published in 2002. Copies are available (£45 for the first copy, £20 for subsequent copies) from <http://secure.cipfa.org.uk/cgi-bin/CIPFA.storefront>

Building Effective Boards – Enhancing the Effectiveness of Independent Boards in executive Non Departmental Public Bodies, published by HMT and available on their website www.hm-treasury.gov.uk/documents/public_spending_and_services/public_services_productivity_panel/Building_effective_boards.cfm

Regularity, Propriety and Value for Money (VFM) published by HMT and available on their website www.hm-treasury.gov.uk/documents/public_spending_and_services/audit_and_accounting/pss_aud_regprop04.cfm

Resource Accounting published by CMPS and available from their web-site www.cmps.gov.uk. Resource Accounting has meant a fundamental change to the way Government departments report on their spending and achievements. This book provides a clear explanation for all who need to understand the new form of accounts, whether they are managers, members of parliament or students. It covers resource accounting in departments, agencies and NDPBs.

The Good Governance Standard for Public Services produced by the Independent Commission on Good Governance in Public Services and available from the Office for Public Management web-site www.opm.co.uk.

PublicAppointments

PLAY A PART IN PUBLIC LIFE

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Published: February 2005
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