

NON-EXECUTIVE MEMBER HANDBOOK

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Section 1

Introduction

1. The Scottish public has a high expectation of the conduct of those who undertake public appointments. To that end, the SPPA's Code of Conduct is constructed from guidance issued to Non-Executive Board Directors in Scottish Government as the [Model Code of Conduct for Board Members of Devolved Public Bodies](#).

Guidance on the Code of Conduct

2. As an SPPA NEM, it is your responsibility to make sure that you are familiar with, and that your actions comply with, the provisions of this Code of Conduct. It is your personal responsibility to comply with these provisions and review regularly, and at least annually, your personal circumstances with these in mind, particularly when your circumstances change.

3. Your conduct should be above reproach and you must not at any time advocate or encourage any action contrary to the Code of Conduct. As an SPPA NEM your conduct should be consistent with its vision and values, which are contained within the Agency's [Framework Document](#).

4. The SPPA's primary source of reference on governance matters is the [Scottish Government publication "On Board for members of Management Advisory Boards"](#). This publication will provide you with information to assist you in your role as a NEM.

5. If you are uncertain about how the rules apply, you should seek advice from the SPPA's Secretariat who maintain links to the SG's Public Bodies Unit.

Section 2

Key principles of the Code

1. The key principles upon which this Code is based are:

Duty	You have a duty to observe and act in accordance with the law and the public trust placed in you. You have a duty in your behaviours and actions to represent SPPA's best interests.
Selflessness	You have a duty to make recommendations solely in terms of public interest. You must not seek to gain financial or other material benefit for yourself, family or friends.
Integrity	You must not place yourself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence you in the performance of your duties.
Objectivity	You must make recommendations solely on merit and in a way that is consistent with the functions of SPPA when carrying out public business.
Accountability	Accountability rests with the Accountable Officer but you are accountable for the contribution you make to the Agency's governance arrangements. In forming an opinion you have a duty to consider issues on their merits, taking into account the views of others. You must contribute to SPPA's responsibility to use its resources prudently and in accordance with the law.
Openness	You have a duty to be as open as possible about your advice and actions, giving reasons for your advice if and/or when appropriate, restricting information only when the wider public interest clearly demands.
Honesty	You have a duty to act honestly. You must declare any private interests relating to your public duties and take steps to resolve any conflicts arising in a way that protects the public interest.
Leadership	You have a duty to promote and support these principles, to lead by example, and to maintain and strengthen the public interest and confidence in the integrity of SPPA.
Respect	You must treat fellow NEMs, members of staff and stakeholders of the SPPA with courtesy at all times. Similarly you must respect members of the public when performing duties as a NEM of SPPA.

Section 3

Terms and Conditions of Appointment

Status

1. You are appointed as a NEM office holder in SPPA. In these terms and conditions, except there stated, “you” and related expressions refer to the holder of that position.
2. You are not a servant or agent of SPPA, or the Crown, or a civil servant, and do not have any status, immunity or privilege of the Crown.

Interpretation

3. The terms and conditions are to be read in a way that is consistent with any enactment. If such a reading is not possible, the terms do not apply to the extent that they are inconsistent with any such enactment.
4. The terms are not to be construed as constituting a contract of employment or service, or a contract for services between you and SPPA, Scottish Ministers or the Crown.

Functions

5. The Scottish Government is the executive arm of Scotland’s devolved Government, with functions established under the Scotland Act of 1998. It remains part of the UK-wide Civil Service, but with accountability to Scottish Ministers and the Scottish Parliament.
6. SPPA forms part of Scottish Government’s network of public services and entities. Scottish Ministers to exercise the full range of devolved powers and duties provided by the Scotland Act – allocating a budget of in excess of £30 billion. SPPA is an executive agency of the Finance and Constitution Portfolio and commands an annual programme budget of in excess of £15 million.
7. As a NEM, you will prepare for and attend meetings as required and will provide active and effective support and guidance to assist SPPA deliver its functions effectively and efficiently and in accordance with the aims, policies and priorities of the Scottish Ministers as described in the Agency’s [Framework Document](#).
8. The specific duties relating to your NEM role are:
 - Strategic Advice – bringing external perspectives, stimulating innovation and bringing fresh eyes to issues and challenges, acting as a “critical friend”

- Improving Performance – providing clarity and rigour in the scrutiny, measurement and evaluation of performance in delivering objectives and outcomes
 - Promoting Good Governance – helping the Management Advisory Board discharge its functions effectively
 - Audit – as a member of the Audit and Risk Committee, providing assurance to the Accountable Officer regarding governance, risk and internal controls which underpin systems and performance
 - Risk – providing assurance that risk management principles are being applied efficiently and effectively in the conduct of Agency business;
9. You will receive feedback, at least annually, on your performance against these duties.

Remuneration, Allowances and Expenses

10. You will be entitled to receive a daily rate of £232 for your attendance at ½ day meetings which includes ½ day preparation and travel time. Where other responsibilities and/or travel are authorised and incurred, the rate may be varied by permission of the Chief Executive. You will be reimbursed for your relevant travel and accommodation expenses in line with the Scottish Government Travel and Subsistence policy.
11. Remuneration will be paid through payroll and is taxable. For fees, PAYE deductions in respect of income tax and National Insurance will be made.
12. For Travel and Subsistence claims, the amount you receive for travel and subsistence will be equivalent to the amount you actually spend. Special arrangements with HM Revenue and Customs have been put into place which means that we can now effectively pay the tax on behalf of an NEM. We shall also pay your share of the National Insurance Contributions that are due. If you do not wish to enter into this agreement with HMRC, we shall operate PAYE on these expenses in the same way as we shall operate PAYE on the fees paid to you. This means that you will pay tax on the money you receive.
13. You should be aware that NEM appointments are non-pensionable.

Gifts and Hospitality

14. Your working relationships may bring you into contact with outside organisations where it is normal business practice or social convention to offer hospitality, and sometimes gifts, to facilitate useful contact and working relationships. You will not accept gifts, hospitality and entertainment in performing your functions and in consequence of your office (unless wholly trivial and of minimal value) and will report any such offers to the Chief Executive. Any gifts and hospitality accepted must be declared and will be disclosed publicly on SPPA's website.

Confidentiality

15. You will exercise due care in the use of information to which you have access in the course of performing your functions or in consequence of your appointment, and you will protect information that you receive in confidence from unauthorised disclosure. When your period in office ends (whatever the reason) you will continue to owe a duty of confidentiality to SPPA, Scottish Government and to the Scottish Ministers in relation to information of a confidential nature to which you had access during your period of appointment in office.

Personal Liability of Board Members

16. NEMs role at SPPA is advisory. Legal proceedings cannot be brought against you by a third party. However, there is an expectation that in performing your advisory role, you will act honestly and in good faith, and not recklessly or negligently.

Period in Office

17. Your appointment term is from xx/yy/zz to aa/bb/cc (inclusive) and will be renewable annually within this period.
18. The appointment may be terminated at any time during that period, by agreement, or with 1 months' notice, provided by either party. Your appointment will end when your period as a NEM ends (whatever the reason).
19. The maximum term of appointment as a NEM is 6 years in total.

Time Commitment

20. The time commitment for the role of NEM is likely to be around 10-20 days a year, but this requirement may vary depending on business demands.

Changes to the Terms

21. SPPA may notify you of any proposed change to the terms which they deem necessary or expedient, including relevant fees, by giving you three months' written notice of the proposed change. In that event, you would have the option to accept the change or to give one month's written notice to end your appointment and to leave within that period.

Conflicts of Interest

22. SPPA maintains a register of interests held by NEMs. You will be invited separately to supply details of any relevant interests on commencement of office

and further opportunities to declare changes in interests will be afforded by the Board or Committee Chair as a standard item on the agenda for all meetings.

23. You will not take part in activities which conflict with the interests of SPPA or Scottish Government and, in particular, you must not misuse any information acquired in the course of your appointment to further your private interests or those of others.
24. You will declare any personal or business interest which might be perceived to influence your judgement in performing your functions. If any such interest arises in relation to a matter under consideration by the committee/board, you will declare that interest at the relevant meeting for recording in the minutes. You will ensure that such interests are recorded in the SPPA's Register of Interests and ensure that it is updated at least annually. If you have any questions about this please contact Molly Wyllie in the SPPA Secretariat (Tel 01896893279).
25. You will not participate in any discussion by SPPA or the Scottish Government of a matter in which you have a relevant personal or business interest and will withdraw from any such discussion or determination if your interest is direct and pecuniary. If the matter under consideration gives rise to a potential conflict of interest you will inform SPPA.

Political Activity

26. You may be removed from office if SPPA is satisfied that the acceptance or holding of any other office, role, position or interest means that it is not appropriate for you to remain a SPPA NEM.

Media

27. You may be approached directly by the media by phone, email or in person. Within your role as a SPPA NEM, individuals must not undertake media interviews or comment to the media unless authorised to do so. NEMs should not provide information to the media, or do anything which could lead to the disclosure of confidential SPPA business. Management Advisory Board business will be made public, via the SPPA's website.
28. If approached by the media this should be brought to the attention of the Chief Executive who will ensure that SPPA is prepared for any subsequent requests, and liaise with the SPPA Corporate Communications team and 'Communications, Ministerial Support and Facilities' Directorate where appropriate.

Freedom of Information requests

29. In the unlikely event that you receive a Freedom of Information request regarding your role as a NEM or SPPA business, please pass it on to the SPPA Corporate Communications Team sppacommunications@gov.scot.

Speaking engagements

30. You should inform SPPA's Chief Executive if you have any public engagements which are likely to make reference to your position as a SPPA NEM.
31. You should not claim to speak or give the impression that you speak on behalf of SPPA unless you have been authorised to do so by the Chief Executive.

Use of social media

32. If you engage on social media in an individual capacity you should be aware that posting information or views about SPPA or Scottish Government more generally cannot be isolated from your role at SPPA. NEMs should make themselves aware of the [Scottish Government social media policy](#).
33. It is important that in expressing views on social media, you do not compromise your position as a NEM. You are reminded that hastily expressed views can be difficult to retract if required to do so.

Section 4

SPPA NEM Role

1. Your role as a NEM is to provide support to the Chief Executive and Accountable Officer of the Agency in carrying out their duties.
2. Collectively, NEMs will also provide support to the Strategic Leadership Team who must discharge their corporate responsibilities, mainly through participation in the [Management Advisory Board](#). This role may extend, if appointed, to participation in the work of the [Audit and Risk Committee](#) and/or Nomination Committee which report up to the Management Advisory Board.
3. In fulfilling this role, you are expected to promote the highest standards of corporate governance in pursuit of strategic outcomes by providing support and challenge, and acting as 'critical friends' to the organisation.
4. At times, we may also require you to be available for Board self-assessment and individual appraisal, strategic events and/or workshops and bespoke time-limited projects.
5. Within SPPA, NEMs will be supported in the carrying out of their role by the Agency Secretariat.
6. In order to carry out their role effectively, NEMs are expected to ensure that in carrying out interests outwith SPPA, sufficient time is allocated to cover the duties attached to the role. In attending ½ day meetings a daily fee of £232 will be paid.

What does your work involve?

7. Your work as a SPPA NEM will commonly consist of a focus on:
 - **Strategic process** – applying individual and collective knowledge, skills and experience to the periodic review of the Agency's strategy to ensure that it remains relevant to the attainment of its outcomes and objectives;
 - **Improving performance** – applying independent scrutiny to the measurement and evaluation of performance in delivering outcomes and objectives;
 - **Risk management** – undertaking activities at Board and Committee level that provide assurance that risk management principles are being applied efficiently and effectively in the conduct of Agency business;

- **Internal audit** – providing constructive challenge and support in internal audit activities. Members will consider the contribution internal audit makes to the governance, risk, control and assurance process. NEMs will ensure that a constructive working relationship exists with Audit Scotland and will support the NEM chairing the Assurance and Audit Committee;
- **Audit and Risk Committee (ARC)**– NEMs appointed will provide an opinion and a level of assurance on the effective operation of governance, risk management and internal control framework in the Agency to the Accountable Officer on an annual basis [Good practice guidelines on the role of audit committees can be found in our [Scottish Government Audit Committee Handbook.](#)]

Section 5

Job Description and Person Spec

1. Non-Executive Members provide advice, support and challenge in the following areas:
 - Strategic Advice – bringing external perspectives, stimulating innovation and bringing fresh eyes to issues and challenges, acting as a “critical friend”
 - Improving Performance – providing independent scrutiny to the measurement and evaluation of performance in delivering outcomes and outcomes
 - Promoting Good Governance – contributing to the Management Advisory Board discharge carry out its remit effectively
 - Audit – as member of the Assurance and Audit Committee, providing assurance to the accountable officer the effective operation of governance, risk management and internal control framework
 - Risk - undertaking activities at Board and Committee level that provide assurance that risk management principles are being applied efficiently and effectively in the conduct of Agency business;

2. Successful candidates will be expected to be able to demonstrate the following essential criteria:
 - An understanding of the Framework Agreement for which the Accountable Officer is accountable to Scottish Ministers
 - Experience of corporate governance and risk management at a senior level
 - Understanding of diversity, equality, corporate social responsibility as business critical issues in a modern society
 - Excellent analytical skills and the capacity to reach sound, independent, reliable and defensible positions in a team setting
 - Good communication skills and highly developed interpersonal and communication skills
 - An understanding of the processes involved in the management of change at a senior level in large organisations and in complex networks.

3. We look to secure the necessary width of perspective through the appointment of candidates with strength in one or more of the following fields:

A Professional Skills:

- Finance/financial services
- Audit/accountancy
- Statistician
- Economist
- Actuarial
- Legal/governance
- Digital/ICT
- Personnel and development/training
- Procurement and supply
- Project management
- Risk management
- Marketing

B Specialist Skills:

- Leadership and strategy
- Operational management
- Performance management
- Change management
- Communications/stakeholder management
- Customer relationship management
- Estate/asset management/sustainability
- Security
- Counter fraud
- Policy making

Section 6

Registration of Interests

Background

1. The following paragraphs set out the kinds of interests, financial and otherwise which you should register. These are called registerable interests. You must, at all times, ensure that these interests are registered, when you are appointed, and whenever your circumstances change in such a way as to require change, or an addition to, your entry in the NEM Register.
2. This guidance sets out the categories of interests you must register, and is adapted for these purposes from the Codes of Conduct for local authority councillors and members of relevant public bodies, as required by the Ethical Standards in Public Life etc. (Scotland) Act 2000. The Ethical Standards in Public Life etc. (Scotland) Act 2000 does not apply to SPPA/ Scottish Government, however it is considered that, for the purposes of registerable interests, a similar practice should be adopted for the NEM Register.
3. There are 8 categories of interests you must consider for registering. These categories are listed below with guidance designed to help you to decide what is required when registering your interests under any particular category.

Category One: Remunerated Positions held

4. You have a registerable interest where you receive remuneration by virtue of being:
 - ◆ employed;
 - ◆ self-employed;
 - ◆ the holder of an office;
 - ◆ a director of an undertaking;
 - ◆ a partner in a firm;
 - ◆ undertaking a trade, profession, or vocation, or any other work; or
 - ◆ an interest of a close relative or partner you may wish to register.
5. In relation to (4) above, the amount of remuneration does not require to be registered and remuneration received as a SPPA NEM does not have to be registered.
6. If a position is not remunerated it does not need to be registered under this category. However unremunerated directorships may need to be registered under category 2: **“Non-remunerated Directorships held”** (see below).
7. If you receive any allowances in relation to membership of any organisation, the fact that you receive such an allowance must be registered.

8. When registering employment, you must give the name of the employer, the nature of its business, and the nature of the post held in the organisation.
9. When registering self-employment, you must provide the name and give details of the nature of the business. When registering an interest in a partnership, you must give the name of the partnership and the nature of its business.
10. Where you undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and its regularity. For example, if you write for a newspaper, you must give the name of the publication, and the frequency of articles for which you are paid.
11. When registering a directorship, it is necessary to provide the registered name of the undertaking in which the directorship is held and the nature of its business.
12. Registration of a pension is not required, as this falls outside the scope of the category.
13. For the purposes of this category the following definition applies:

“Remuneration” includes any salary, wage, share of profits, fee, expenses, other monetary benefit or benefit in kind. This would include, for example, the provision of a company car or travelling expenses by an employer.

Category Two: Non-remunerated memberships/directorships held

14. You must register any memberships/directorships held which are themselves not remunerated but where the company (or other undertaking) in question is a subsidiary of, or a parent of, a company (or other undertaking) in which you hold a remunerated directorship.
15. You must register the name of the subsidiary or parent company or other undertaking, and the nature of its business, and its relationship to the company or other undertaking in which you are a director and from which you receive remuneration.
16. The situations to which the above paragraphs apply are as follows:
 - ◆ you are a director of a board of an undertaking and receive remuneration declared under category one; and
 - ◆ you are a director of a parent or subsidiary undertaking but do not receive remuneration in that capacity.

Category Three: Contracts with SPPA/ Scottish Government

17. You have a registerable interest where you (or a firm in which you are a partner, or an undertaking in which you are a director or in which you have shares of a value as described in paragraph 19 below) have made a contract with SPPA/ Scottish Government:
- (i) under which goods or services are to be provided, or works are to be executed; and
 - (ii) which has not been fully discharged.
18. You must register a description of the contract, including its duration, but excluding the consideration.
19. The nominal value of the shares referred to in paragraph 17 is:
- (i) greater than 1% of the issued share capital of the company or other body; or
 - (ii) greater than £25,000.

Category Four: Houses, Land and Buildings owned

20. You have a registerable interest where you own or have any right or interest in houses, land and buildings, which may be significant to, or relevant to, or bear upon, the work and operation of SPPA/ Scottish Government.
21. The test to be applied when considering appropriateness of registration is to ask whether a member of the public acting reasonably might consider any interests in houses, land and buildings could potentially affect your responsibilities to SPPA/ Scottish Government and to the public, or could influence your actions, speeches, or decision-making.

Category Five: Shares and securities owned

22. You have a registerable interest where you have an interest in shares which constitute a holding in a company or organisation which may be significant to, of relevance to, or bear upon, the work and operation of SPPA/ Scottish Government. You are not required to register the value of such interests.
23. The test to be applied when considering appropriateness of registration is to ask whether a member of the public acting reasonably might consider any interests in shares and securities could potentially affect your responsibilities to SPPA/ Scottish Government and to the public, or could influence your actions, speeches or decision-making.

Category Six: Membership of, and/or work for, organisations which may lead to a conflict of interest with SPPA/ Scottish Government

24. You may also have a registerable interest if you have non-financial interests which may be significant to, of relevance to, or bear upon, the work and operation of SPPA/ Scottish Government. It is important that relevant interests such as membership or holding office on political parties, other public bodies, clubs, societies, and organisations such as trade unions and voluntary organisations, are registered and described. In addition, where you do not hold membership but undertake voluntary work for such organisations you should consider whether this would be a relevant interest.
25. The test to be applied when considering appropriateness of registration is to ask whether a member of the public acting reasonably might consider any non-financial interest could potentially affect your responsibilities to SPPA/ Scottish Government and to the public, or could influence your actions, speeches or decision-making.

Category Seven: Gifts and Hospitality

26. You have a registerable interest if you are offered or accept gifts or hospitality, with an estimated retail value of £15 and above, in the course of your duties as a NEM of SPPA. The term “gift” includes benefits such as relief from indebtedness, loan concessions, or provisions of services at a cost below that generally charged to members of the public.

Category Eight: Interests of Partners or Close Family

27. You should also consider whether you require to declare an interest to the financial and non-financial interests of your partner or a close family which are known to you. You have to ask yourself whether a member of the public acting reasonably would regard these interests as effectively the same as your interests in the sense of potential effect on your responsibilities as a SPPA NEM. In this context, the term “partner” means husband, wife, civil partner or co-habitee.