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#  NEST logo

**Nest Corporation**

**Board Members**

## Candidate Information Pack

## November 2022

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 **Overview**

The National Employment Savings Trust (Nest) is a workplace pension scheme designed around the needs of employers and workers to support automatic enrolment. Nest offers a high quality, easy to use way to save for retirement and is now the largest defined contribution pension scheme in terms of members. Nest currently has 11.4 million individuals saving with £27.4 billion in assets under management.

Nest Corporation is the Trustee of the scheme and a Public Corporation based in London. Though Nest Corporation is independent from government, it is accountable to Parliament through the Department for Work and Pensions (DWP).

**A Message from the Chair of Nest Corporation**

**Message from Brendan McCafferty, Chair**

I am so delighted that you have taken the time to open this candidate pack – the first step in becoming a non-executive director at Nest! All too recently, I was doing exactly the same thing.  Earlier this year on February 1st, following a process similar to the one you are about to embark on, I was appointed Chair of Nest Corporation. What has struck me the most since joining Nest is the calibre of people working at Nest, the social purpose which underpins everything they do, and how they bring that social purpose to solve complex issues with social, political and economic elements.  I feel Nest’s mission of “helping millions enjoy a better retirement” infused in every project that comes before me at Board meetings. If you share these same values and are seeking to contribute to Nest’s success in an oversight and governance capacity  -- whether as an experienced or first time non-executive director--  I would strongly encourage you to keep reading, to join our webinar on **29 November 2022** **at** **2pm** to learn more about us and the selection process, and to complete the application process outlined later in this pack.

* **Background**

Nest, the National Employment Savings Trust, is a workplace pension scheme established by an Act of Parliament (the [Pensions Act 2008](https://www.legislation.gov.uk/ukpga/2008/30/contents)) to help support the introduction of auto enrolment.  The Nest Scheme is authorised as a master trust by [The Pensions Regulator](https://www.thepensionsregulator.gov.uk/). A master trust is used by two or more employers to provide benefits in retirement based on the members’ contributions into the Scheme and the returns after charges on the investment of that money.  Nest Corporation is the Trustee for the Scheme. We are a public corporation which operates at arm’s length from the government and are accountable to Parliament through the Department for Work and Pensions.

Nest’s purpose is to help millions enjoy a better retirement.  Thus far, 1 million employers have signed up at some point with Nest.  It currently has 11.4 million members.  And Nest currently has £27.4 billion in assets under management.

Nest enables its members to save into a high-quality pension scheme at a low cost. Due to our scale, we are able to offer them a sophisticated investment strategy and easy-to-use services while keeping our charges low. We pride ourselves on our approach to responsible investment.  Any employer, however large or small, can use the Scheme, and we have a public service obligation to accept any employer that wishes to use the Scheme to meet its employer duties under auto-enrolment. Self-employed individuals can also use  Nest to save for their retirement.

Nest Corporation is comprised of up to 15 Board members and the corporation’s employees. We refer to our Board members collectively as the Board of Nest Corporation, or simply the Board.  This candidate pack was collated in respect of our 2023 recruitment drive to fill certain vacancies on the Board.

* **Appointment of Board Members**

I was appointed by the Secretary of State as Chair of Nest Corporation in February 2022 for a term of five years, succeeding Otto Thoresen.  I am delighted to be leading the board of such a purposeful organisation. I have a background in the insurance sector and have led a number of large and complex financial services businesses as CEO. I have been passionate about the role of business as a force for good in society for many years.

People and businesses are experiencing economic and wider uncertainty. Inflation and interest rates are rising. Public investment markets have been up and down. Events such as the war in Ukraine and disruptions in the global supply chain for raw materials and manufactured goods have had, and will continue to have, a significant impact on all of us.

As economies continue to recover from the worst days of the Covid-19 crisis, we’re also beginning to see changes in the types of work people are doing, where and how they’re doing their work and the areas of business activity which are growing versus those which are shrinking. The need to transition to a low-carbon economy is increasing in urgency, and that will reshape industries as well.

The current economic pressures also have an impact on the work we do at Nest Corporation as Trustee of the Scheme. When prices go up, it affects how the Scheme’s investments perform against our objectives, since we seek to achieve returns that beat inflation.

We recognise that our members are looking to us to help them grow their retirement savings enough to outpace the increasing cost of living.

We centre everything we do on our purpose – to help millions enjoy a better retirement. This has provided direction for us, to make progress towards all of our strategic priorities and deliver value for our members despite the economic environment which framed our activities in 2021/22.

This is thus an exciting and challenging time to be joining the Nest Board.  **We are seeking up to three new Board Members to support us**.  In addition to the skills and experience set out within this pack, I would personally like to emphasise the importance of diversity of thought to Nest and its Board.   We recognise the many benefits this can bring to Nest and its Board.  We know that diversity of thought around the Board table produces more robust discussions and ultimately better outcomes for Nest and its members.  We are determined to ensure that no applicant receives less favourable treatment because of their age, belief, disability, gender identity, marital status, national origin, pregnancy or caring responsibilities, socio-economic background, sex, sexual orientation, religion, or race or any other legally protected status.  We very much encourage applicants from a diverse pool of candidates to apply for these important roles.  We want to get our message out to as many as possible, and so for the first time, we are hosting a live webinar on 29 November 2022 to explain the process and to offer opportunities for questions about the role and the selection process.  This is explained further in this pack, and I hope that if you might otherwise have hesitated to apply, that you will be encouraged to join the webinar and learn more and ask any questions you may have.

I look forward to working with the successful candidates.

**Brendan McCafferty Nest Corporation Chair**

**Diversity and Equality of Opportunity**

The Equality Act 2010 updated in February 2022, legally protects people from discrimination in the workplace and in wider society. DWP is committed to implementing the Act in all recruitment and selection activity by:

* Eliminating unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
* Advancing equality of opportunity between people who share a protected characteristic and those who do not while ensuring the essential criteria of the roles are met and;
* Fostering good relations between people who share a protected characteristic and those who do not.

The Department is committed to providing services which embrace diversity and which promote equality of opportunity.  As an employer, we are also committed to equality and valuing diversity within our workforce.  Our goal is to ensure that these commitments, reinforced by our Values, are embedded in our day-to-day working practices with all our customers, colleagues and partners.  We do not discriminate on the basis of age, disability, gender, marital status, sexual orientation, religion or belief, race, colour, nationality, ethnic or national origin, or (in Northern Ireland) community background, working pattern, employment status, gender identity, caring responsibility or trade union membership

**A Message from Peter Schofield, DWP Permanent Secretary**

I want DWP and our arms’ length bodies to be places where everyone, whatever their background, feels supported to achieve their potential. By being an inclusive employer, bringing into the organisation and developing talented people from diverse backgrounds, we will be better able to provide the best possible support to those we serve.

That is why we want to reach the widest possible pool of talent for public appointments, and I want to encourage applications from people from all backgrounds.

We know we have a long way to go. As an example, the Lord Holmes Review (December 2018) identified that there are over 6,000 public appointments dealing with all aspects of our lives but just 3% are held by disabled people. I therefore particularly welcome applications from talented applicants with a disability.

If you are looking for an opportunity to use your talents to make a difference to the lives of millions of your fellow citizens, we look forward to hearing from you.

**About Nest**

Nest Corporation is the Trustee of the Nest scheme. As a public corporation it is independent of government but accountable to Parliament through DWP.

**Nest’s Strategy**

* **Nest’s strategic priorities**

Nest currently has five strategic priorities which describe how it works towards its mission:

**Support strong member outcomes**

Nest will grow members’ assets sustainably and keep their data safe. Nest will deliver a targeted approach to increasing member engagement, including at retirement, while continuing to ensure that the right retirement options exist to meet their needs.

**Deliver a good service to our customers**

Nest will deliver a sustainable, high-quality service to all its customers – members, employers and intermediaries such as advisers and payroll providers.

**Grow the business, in the right way**

Nest will ensure that it has a broad customer base while also remaining fully focused on the needs of its target membership of people on a low to moderate income.

**Deliver a sustainable business model**

Nest will agree and implement a new approach to service delivery following the expiry of its current scheme administration contract. Nest will maintain a cost-efficient business model to ensure it can repay the loan from government.

**Deliver a corporation fit for the future**

Nest will develop the corporation to ensure it continues to have skilled and motivated employees, and strong standards of governance and management.

* What makes Nest, Nest?

In addition to these, Nest has identified six guiding principles that define its member-focused approach and calls these principles **‘**the things that make Nest, Nest**’**. They’re threaded into everything Nest does as an organisation.

**Built around customers’ needs and behaviours**

Nest will build and deliver a product based on research and an expert understanding of the needs and behaviours of its customers – members, employers and intermediaries such as payroll providers and advisers. Nest will use technology and best-in-class communication techniques to engage its customers in a timely, relevant and personal way.

**Excellence in investment practice**

Nest will provide excellence in investment practice and governance. Nest designs and oversees expert investment strategies and invests responsibly and sustainably.

**Low charges, and open to all employers**

Nest uses its scale to keep charges to members as low as possible. Nest ensures the Nest scheme is available for any employer that wants to use it.

**Not for profit**

Nest aspires to operate as a not-for-profit business over the long term. Once its loan from government has been repaid, Nest’s aim is that any surpluses generated should be reinvested in the interests of its members.

**A broader social purpose**

Nest is here to help millions enjoy a better retirement. Its responsibility is to its members, but also to a broader population of mass-market savers including those already automatically enrolled as well as anyone who could benefit from saving for retirement but currently falls outside of auto enrolment legislation.

**An organisation that lives its values**

Nest shows the same level of care to its employees as it does to its customers. It champions the scheme’s values inside the organisation, making Nest a great place to work.

Further information on Nest and Nest’s strategy can be found on the Nest website: [www.nestpensions.org.uk](http://www.nestpensions.org.uk)

**Nest Corporation Governance Framework**

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Nest Corporation subscribes to high standards of corporate governance in order to serve the best interests of scheme members and to fulfil its obligations as a public corporation. The Nest Corporation Governing Body (NCGB or Board) is responsible for governing Nest Corporation, which includes setting the strategic direction and establishing the vision, mission and values. The Board is also responsible for overseeing the implementation of the strategy and the day-to-day operation of Nest, holding the Chief Executive Officer and Executive to account and providing support and challenge as appropriate.

The Board must take decisions drawing on two key sources of power: The Pensions Act 2008, which sets out its functions and powers as a Body Corporate and the Scheme Order and Rules, which sets out its powers as a Trustee. When taking a decision, we must be clear that we have the power to do so and the source of that power.

Nest Board Members work closely with the Executive Team. The Chief Executive Officer (CEO) has responsibility for the day-to-day operations and management of both Nest Corporation and the Nest pension scheme. Nest Corporation’s Trustee Members exercise powers but delegate a broad authorisation to the CEO to ensure the efficient and effective day-to-day operation of Nest Corporation. The Board has also established four Committees to provide effective oversight and assurance: Audit Committee, Risk Committee, Investment Committee, and the Nominations and Remuneration Committee.

Nest Board must have between nine and fifteen Trustee Members as set out in the Pensions Act. All Board Members are appointed by the Secretary of State for Work and Pensions. These appointments are regulated by the Commissioner for Public Appointments.

The Board meets around nine times a year and currently comprises the Chair and ten Board Members, two of whom (the CEO and Chief Financial Officer, have Executive responsibilities). The Board ensures that effective arrangements are in place to provide assurance on risk management, governance and internal control.

Against the backdrop of the impact of the global Covid-19 pandemic, new developments in the pensions’ environment, and the implementation of the next phase of Nest’s strategy, the new Chair will play a fundamental role within Nest’s governance framework, providing effective Board leadership and overseeing and leading Nest and the Board through the next phase of its evolution.

**ds to Governance**

**The role of Nest Board Members**

Board Members will be expected to:

* Contribute to Nest’s Board meetings and discussions, drawing on their field of expertise;
* Contribute to and review the strategic direction of the Corporation and the scheme;
* Oversee the performance of the Chief Executive and her team in delivering Nest’s functions efficiently and effectively;
* Monitor the extent to which the Board is meeting its objectives and targets;
* Ensure effective reporting of the Board’s reporting of its activities to the Secretary of State in the annual report;
* Evaluate the effectiveness of the Nest’s internal financial controls;
* Act as a confidante and counsel to the Nest Chair, balancing a challenging approach with being supportive;
* Contribute through ad hoc involvement with the executive team on specific areas of interest/priority on behalf of the Board;
* Where appropriate, represent Nest with external stakeholders, and help it build relationships with key private and public sector players; and
* Contribute their own professional experience to guide the development of Nest in a way that is supportive, collegiate and adds value.

Board Members may also be asked to Chair or participate in one of the subcommittees of the Board, including:

* [Audit Committee](https://pigeonhole/workingatNEST/Documents/Audit_committee_terms_of_reference.docx)
* [Risk Committee](https://pigeonhole/workingatNEST/Documents/Risk_committee_terms_of_reference.docx)
* [Investment Committee](https://pigeonhole/workingatNEST/Documents/Investment_committee_terms_of_reference.docx)
* [Nominations and Remuneration Committee](https://pigeonhole/workingatNEST/Documents/Nominations_and_governance_committee_terms_of_reference.docx)

Information about these sub-committees can be found at

<https://www.nestpensions.org.uk/schemeweb/nest/nestcorporation/who-runs-nest/trustee-members/trustee-committees.html>

**Essential Criteria**

We are currently recruiting for Two Generalist Board members and an Investment Specialist Board Member. We welcome and encourage applications from a diverse range of candidates. Prior non-executive experience is absolutely not essential for these roles. However, you must have a clear understanding of the role of the board and have operated at a strategic level.

All candidates will be asked to demonstrate:

1. Alignment with Nest’s social purpose and values, including its commitment to diversity.

1. The ability to contribute effectively to Board activity, including working together with executives and other non-executives to solve collective problems.

1. The ability to analyse and contribute to the resolution of strategic issues which have economic, social and/or political implications while bringing to bear skills, knowledge, and experience, maintaining an independent view.

1. An ability to proactively support and challenge the executive on achieving results, with a focus on performance against targets.

**Additional Criteria: Role Requiring Investment Skills**

In addition to the Essential Criteria above, candidates applying for the role requiring **Investment Specialist** will be asked to demonstrate the following:

* Extensive experience in either asset management, institutional asset ownership, or investment / actuarial consultancy including the following;

* ability to provide oversight and challenge on investment issues in public and private markets and be familiar with oversight of an FCA or similarly regulated entity;
* implementation of an investment strategy, including associated investment performance; environmental, social and governance (ESG) risk factors, and investment risk management.

**Desirable Criteria**

It is desirable for candidates to have ability in one or more of the following areas:

* Broad understanding of institutional investing.

* Pensions knowledge, including member engagement, defined contribution investing, retirement products and strategies.

* Customer insights based on data

* A willingness to develop knowledge of the environment within which the public sector operates including a good understanding of parliament and what it means to be a public body at arm’s length to a central government department.

**Terms of appointment**

The appointments will be made by the Secretary of State for Work and Pensions for fixed terms of five years. Reappointment may be considered but will be the exception rather than the rule.

**Remuneration**: £19,050 per year. This is a flat rate.

**Time Commitment**: Approximately 30 days per year and consists of approximately 10 board meetings/strategy days. It is expected that successful candidates will commit to attend all, or nearly all, of these commitments.

**Term:** The appointment will be made by the Secretary of State for Work and Pensions for a fixed term of between three and five years. Reappointment may be considered subject to the individual’s performance, but this will be the exception rather than the rule We would like the successful candidate to take up appointment from 1 June 2023.

**Location:** Board meetings are held in London at Nest’s offices at 10 South Colonnade on Canary Wharf. Committee meetings are currently held via Teams. Although Board meetings are held in London, Nest welcomes applications from candidates who for reason of disability require an accommodation to attend via Teams.

**Expenses:** Reasonable travel and subsistence expenses incurred while performing the role can be claimed, in line with Nest’s Non-Executive Travel and Expenses Policy.

**Conduct:** If appointed, Board members will be expected to act in accordance with the Cabinet Office Code of Conduct for Board Members of Public Bodies

**Conflict of interest:** Board members should avoid situations in which their Nest duties and private interests conflict or where there could be a suspicion of conflict. Candidates must declare any personal or business interests which may, or be perceived to, influence your judgments in performing your functions.

**Performance Appraisal**: The Board member’s performance will be assessed at least once a year by the Chair against objectives linked to the performance of Nest.

**Member Liability:** The Department will provide that where a **Board member** has acted honestly, reasonably, in good faith and without negligence they will not have to meet out of their own personal resources any personal civil liability which is incurred in the execution or purported execution of their Board functions.

**Join Our Webinar**

We want to reach a broad pool of candidates, and we know that some candidates may not be familiar with the process of applying to become a non-executive director or may not be familiar with the process with respect to an arm’s length body.  We will be hosting a webinar on **29 November 2022** **at** **2pm** and welcome all candidates to register and join to learn more about Nest, our Board, and what it means to be a Board member. There will be an opportunity to ask questions anonymously as well.  The webinar will be available for replay on our website shortly after.

[**Please register for the webinar**](https://glasgows-co-uk.zoom.us/webinar/register/WN_uIeWNroLTfG8BtJU6vib3Q)

We want to be sure that all candidates are able to access the webinar. Therefore, if you have any requirements for support with this, please contact: nestwebinars@glasgows.co.uk.

**Standards in public life, political activity, eligibility, and conflicts of interest**

**Standards in public life**

Candidates must confirm that they understand the standards of probity required of public appointees outlined in the ‘Seven Principles of Public Life’ drawn up by the Committee on Standards in Public Life (**Annex 1**).

**Eligibility**

Candidates must have the right to work in the United Kingdom to be eligible to apply for this role.

**Conflicts of interest**

Applicants, in their supporting letter, must disclose information on personal connections, which if they were appointed, could lead to a conflict of interest, or be perceived as such.

It is very important therefore that all applicants provide appropriate details in their supporting letter of any interests which might be construed as being in conflict with the appointment for which they are applying. If it appears, from the information provided on the form, that a possible conflict might exist, or arise in the future, this will be fully explored with the applicant with a view to establishing whether it is sufficiently significant to prevent the individual from carrying out the duties of the post. The panel will do this at interview stage.

**Annex 2** provides information on conflicts to help applicants evaluate whether or not they have a potential conflict.

**How to apply**

In order for us to progress your application please submit the following completed documentation:

1. A **CV** (**maximum 2 pages**) with your education and professional qualifications and full employment history.
2. An **accompanying supporting statement (maximum 2 pages, font size 12 point)**. This is your opportunity to provide evidence of how you meet each of the criteria set out in this information pack. The initial sift is based on this information, so it is important to fully address the criteria. You should aim to provide specific examples that demonstrate how your knowledge and experience matches each of the criteria, and which describe what your role was in achieving a specific result.

**Please ensure that you clearly state your full name at the top of your CV and supporting statement and confirm that you are applying the role Generalist Board Member or Investment Specialist Board member** .

1. **Personal Information Form** Most of the information requested is not seen by the panel assessing your application (though the panel may consider your declaration of interests).
2. **Diversity Monitoring Form.** Collecting and analysing candidate data will help us improve our diversity strategy. It will allow us to run more successful recruitment exercises in the future and ensure that competitions are fair for all. **This form is not part of the selection process and will be treated in strictest confidence**. It will be kept separate from your application and not be seen by the selection panel.

**Please note that due diligence checks will be carried out on all candidates shortlisted for interview. The result of the checks will be shared with the panel and with ministers who make the final decision following the results of the interview. The search will include, but may not be limited to:**

* Google search – publicly available information
* Social Media search – Twitter, Facebook
* Individual insolvency search
* Removed trustee register search
* Financial Services Prohibited Individuals Register
* Disqualified Director Register
* Personal Information Form declarations
* References

**ID verification:**

Please note, Photographic ID will be required should you be shortlisted for interview following the panel sift.

**Disability Confident Scheme**

The Disability Confident scheme has replaced the Guaranteed Interview scheme. The Department for Work & Pensions, and its Arms-Length Bodies, are accredited users of the Disability Confident symbol, which signifies organisations which have a positive attitude towards disabled applicants.

All Disability Confident Employers will offer interviews to disabled candidates who meet the minimum requirements for a job or role. If you wish to apply for consideration under this scheme, please complete the declaration in the Diversity Monitoring Form provided. It is not necessary to state the nature of your disability.

Whether you choose to apply under the Disability Confident scheme or not, you can still ask us to make adjustments for you when attending an interview. You can also contact us if you want to discuss the criteria for the role or have questions regarding your application.

**The Closing date for applications is 16/12/22 at 17:00**

**Reasonable Adjustments**

If you have a disability and require reasonable adjustments to enable you to attend for interview, please advise us when you return your application.

**Please email your application** to: alb.publicappointments@dwp.gov.uk

**IMPORTANT NOTICE FOR ALL APPLICANTS**:

You will receive an automated acknowledgement once your application has been received. If you do not receive this receipt email, then your application will not have been sent successfully to the inbox. If you do not receive the acknowledgement email, please resend your application, or contact us separately as soon as possible on the above email address.

**Do not** mark your email as ‘Private’ to ensure it passes our electronic security measures.

If you have any difficulty in sending your application or need the application pack in an alternative format (e.g., Braille, large print, audio CD, tape, or e-text), please contact the ALB Public Appointments Team using the email address above or telephone 0300 074 5919.

**The Selection and Recruitment Process**

This role is being competed in accordance with the Government’s Governance Code on Public Appointments[[1]](#footnote-2), which sets out the regulatory framework for public appointments processes. The Code is based on three core principles – merit, openness, and fairness.

All appointments follow a recruitment process regulated by the Commissioner for Public Appointments (OCPA).

**Selection Panel Members**

The panel will consist of four members:

**Panel Chair** – Jenan Hasan Joint Head of Arm’s-Length Bodies Partnerships, DWP

**Panel Member** - Brendan McCafferty, Chair of Nest Corporation; and

**Independent Panel Member** – Rosie Varley, Public Appointments Assessor for the

 Office of the Commissioner for Public Appointments

The panel will ensure that appointments are made in accordance with the Governance Code. The DWP Public Appointments Team will keep you updated on the progress of the competition.

**Indicative Timetable**

|  |  |
| --- | --- |
| Advert Closing Date | **16/12/2022 at 17:00** |
| Short List Meeting | **Week Commencing 23/01/2023**  |
| Final Panel Interviews  | **Week Commencing 27/02/2023** |
| Meeting with Ministers (if required) | **Week Commencing 20/03/2023** |

**Please note that the above dates are only indicative at this stage and could be subject to change.**

At the short-list meeting the selection panel will assess each application against the ***essential criteria*** using the information provided in your CV and supporting statement.

Successful candidates can expect to be contacted during w/c 13/02/2023. Those who are unsuccessful at this stage will be notified in writing.

Panel interviews will take place in person at Caxton House, Tothill Street, London, SW1H 9NA.

Following interviews, the details of appointable candidates will be put forward to the DWP Secretary of State. Appointable candidates may be asked to meet with DWP Ministers before a final decision is made (after interview by the selection panel). The final decision rests with the DWP Secretary of State.

During the period following appointment the successful candidate will be required to undertake familiarisation and orientation activities. Subject to obtaining all necessary approvals in time, we are operating on the planning assumption that the successful candidate will take up the post from May 2023. There may be some flexibility around this start date.

**Expenses**

Reasonable travel expenses will be reimbursed to candidates who attend for interview. Applications for reimbursement should be made in writing to: alb.publicappointments@dwp.gov.uk in the first instance

**Complaints Process**

The Commissioner for Public Appointments regulates ministerial appointments to the boards of public bodies. The Commissioner’s regulatory functions include monitoring compliance of the Governance Code; investigating specific complaints relating to appointment processes; and promoting equal opportunities and diversity in the procedures for making public appointments.

For more information on the Commissioner for Public Appointments visit their website <http://publicappointmentscommissioner.independent.gov.uk/>

If you feel you have reason to complain you should direct your concerns in the first instance to DWP Public Appointments, who will make every effort to deal with these and respond to you.

Email. alb.publicappointments@dwp.gov.uk

If after receiving a comprehensive response you are still concerned, you can contact the Commissioner at:

The Commissioner for Public Appointments
Room G/8
1 Horse Guards Road
London
SW1A 2HQ

Email: publicappointments@csc.gov.uk

Further information on the role of the Commissioner or the appointments process is available at: [publicappointmentscommissioner.independent.gov.uk](http://publicappointmentscommissioner.independent.gov.uk/)

**Annex 1: Public Body Code of Conduct**

**The Seven Principles Underpinning Public Life**

In 1995, the Committee on Standards in Public Life defined seven principles, which should underpin the actions of all who serve the public in any way. These are:

**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 2: Conflicts of Interest**

**What is a conflict of interest?**

Public Appointments require the highest standards of propriety, involving impartiality, integrity, and objectivity, in relation to the stewardship of public funds and the oversight and management of all related activities. This means that any private, voluntary, charitable, or political interest which might be material and relevant to the work of the body concerned should be declared.

There is always the possibility for real or perceived conflicts of interest to arise. Both are a problem, as the perceived inference of a conflict may, on occasions, be as damaging as the existence of a real conflict. It is important, therefore, that you consider your circumstances when applying for a public appointment and identify any potential conflicts of interest, whether real or perceived.

**Surely a perceived conflict is not a problem, as long as I act impartially at all times.**

The integrity of the individual is not in question here. However, it is necessary for the standing of the individual and the board that members of the public have confidence in their independence and impartiality. Even a perceived conflict of interest on the part of a board member can be extremely damaging to the body’s reputation and it is therefore essential that these are declared and explored, in the same way as an actual conflict would be. The fact that a member acted impartially may be no defence against accusations of potential bias.

**What should I do if I think I have a conflict of interest?**

You will find a section on conflicts of interest in the application form for you to complete. This asks you to consider and declare whether or not you have a real, or perceived, conflict. If you are unsure if your circumstances constitute a possible conflict, you should still complete this section, in order to give the Selection Panel as much information as possible.

**If I declare a conflict, does this mean I will not be considered for appointment?**

No - each case is considered individually. If you are short listed for interview, the Panel will explore with you how far the conflict might affect your ability to contribute effectively and impartially on the Board and how this might be handled, if you were to be appointed. For example, it may be possible to arrange for you to step out of meetings where an issue is discussed, in which you have an interest. However, if, following the discussion with you, the Panel believes that the conflict is too great and would call into question the probity of the Board or the appointment; they can withdraw your application from the competition.

**What happens if I do not declare a known conflict, which is then discovered by the Department after my appointment?**

Again, each case would be considered on its merits, but the Department may take the view that by concealing a conflict of interest, you would be deemed to have breached the Seven Principles of Conduct Underpinning Public Life and may terminate your appointment.

**What happens if I do not realise a potential conflict exists?**

This situation may arise where the applicant is not familiar with the broad range of work which a body covers and therefore does not realize that a conflict might exist. In some cases, the Panel, with their wider knowledge of the body, might deduce that there is a potential conflict issue, based on the information on employment and experience provided by the candidate in the application form. They will then explore this at interview with the candidate.

**What happens if a conflict of interest arises after an appointment is made?**

This could arise for two main reasons. The first is that the member’s circumstances may change, for example, they may change jobs and in doing so, a conflict with their work on the board becomes apparent. The second is where a member is unfamiliar with the range of the work of the body, but after appointment, it becomes clear that a conflict exists where none had been envisaged during the appointment process.

In both cases, the issue should be discussed with the Chair of the board and the Chief Executive of the body concerned, in consultation with the Sponsoring Department, to decide whether or not the member can continue to carry out their role in an appropriate manner and each case is considered individually.

It may be that the conflict is such that it would be impractical for the member to continue on the board if they would have to withdraw from a considerable amount of the body’s routine business. In such, cases, the member may be asked to stand down from the body.

**Areas where a conflict could arise**

There are five main issues, which could lead to real, or apparent, conflicts of interest. These are:

* Relevant pecuniary or other interests outside the organisation;
* Relationships with other parties/organisations which could lead to perceived or real split loyalties;
* Pending Government Policy could give unfair personal advantage to people with allied business interests – for example access to privileged information – trade secrets;
* Perception of rewards for past contributions or favours;
* Membership of some societies or organisations.
1. https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/578498/governance\_code\_on\_public\_appointments\_16\_12\_2016.pdf [↑](#footnote-ref-2)