



Ministry
of Defence

**A Review by the Ministry of Defence of the National Employer
Advisory Board**

January 2013

Contents

Executive Summary.....	2
Introduction and Purpose of the Review.....	3
Context.....	3
Key Principles of the Review.....	4
Stage One	
NEAB's Key Functions.....	5
The Continuing Need for the Key Functions.....	5
Why does NEAB Need to be Independent.....	5
How Each Function Might Best be Delivered.....	6
Stage Two	
Governance of the Board as a Non Departmental Public Body.....	11
Accountability.....	11
Role of the Sponsoring Department.....	11
Role of the Board.....	11
Role of the Chairman.....	12
Role of Board Members.....	12
Appointments to the Board.....	13
Financial Management	13
Communications	14
Conduct and Behaviour.....	14
Annex A: Current Membership.....	A-1/A-2
Enclosure: The National Employer Advisory Board Memorandum of Understanding.	

Executive Summary

1. The National Employer Advisory Board (NEAB) is a Non Departmental Public Body (NDPB) sponsored by the Ministry of Defence that provides informed but independent advice to Ministers, Defence Chiefs and the Reserves community. In April 2011, the Cabinet Office announced that all NDPBs would be reviewed at least once every 3 years. These Triennial Reviews would have two key purposes:

- a. To provide a robust challenge to the continuing need for the NDPB, its function and form and it should be assessed against the Government's 3 tests¹.
- b. Where it is agreed that the body will remain as an NDPB, to review the control and governance arrangements in place to ensure that the public body is complying with recognised principles of good corporate governance.

2. The Cabinet Office directed that Reviews must not be overly bureaucratic and should be appropriate in size and nature of the NDPB and should be conducted in a way that represents value for money for the taxpayer.

3. The Review was conducted in 2 stages: Stage one examined the key functions; and Stage 2 considered the governance arrangements to ensure that NEAB was operating in accordance with the principles of good corporate governance:

- **Stage One.** The review confirmed that informed independent strategic advice to Ministers, the Chiefs of Staff and the Reserves Community about how the MOD can most effectively gain and maintain the support of and for employers for Britain's Reserve Forces is still required. NEAB is an independent Board that brings together expertise and knowledge not available in the department. The most efficient way to provide the best advice to Ministers is by an independent board. Under Future Reserves 2020 (FR20)² there will be an increased reliance on Reserves and therefore an increased importance in understanding and anticipating changes in the employer environment.
- **Stage Two.** The review concluded that the control and governance of NEAB is robust and in line with government guidance and reflects the proportional approach for an advisory public body. There are 3 recommendations:
 - a. The terms of the Memorandum of Understanding (MOU) should be reviewed to ensure that NEAB's aims, objectives and functions reflect FR20 once the impact is clear.
 - b. The Chairman should review the composition of the Board to ensure that:
 - (1) its size is appropriate and that it provides a wide geographical coverage of the UK.
 - (2) it has the right membership of a broad representation between manufacturing and service industries, companies and the public sector including agencies.

¹ The Government's "3 tests" are: is this a technical function (which needs external expertise to deliver); is this a function which needs to be, and seen to be, delivered with absolute political impartiality (such as certain regulatory or funding functions); or is this a function which needs to be delivered independently of Ministers to establish facts and/or figures with integrity.

² Following the Prime Minister announcing the outcome of the Strategic Defence and Security Review to the House of Commons in October 2011 he commissioned a separate Review of the Reserve Forces. The Future Reserves 2020 – The Independent Commission to Review the United Kingdom's Reserve Forces was published in July 2011.

c. The Chairman should publish an annual report detailing the activities of the Board during 2012/13 to inform Parliament.

Introduction and Purpose of the Review

4. During Spring/Summer 2010 all NDPBs were subject to a cross-government review to confirm whether the body was needed. NEAB was reviewed against the Cabinet Office technical, impartiality and transparency tests and on 12 July 2010 the Secretary of State for Defence³ concluded that NEAB was still needed and met the tests. On 14 October 2010, the Cabinet Office Minister, announced proposals for reform of public bodies, to increase accountability, cut duplication of activity, and discontinue activities that were no longer needed. In April 2011 the Cabinet Office published the Triennial Review programme and in June 2011 published guidance on the principles and processes by which departments should review their NDPBs.

5. The Review of NEAB was announced to Parliament by a Written Ministerial Statement on 28 June 2012. The Review has been set firmly in the context of future requirements for employer relationships required under FR20. Defence aims to enhance the relationship with employers in order to develop and maintain a robust, balanced and open three-way dialogue between the reservist employer, the reservist and Defence. In order to achieve this Defence needs to understand the employer environment. The Review will also considered the continuing need for NEAB. It examined its functions, explored possible delivery options, applied the Government's 3 tests and confirmed that control and governance arrangements are in place to ensure that NEAB complies with the recognised principles of good corporate governance.

Context

6. NEAB is sponsored by the Ministry of Defence (MOD) and comprises a multi-disciplinary, highly experienced and influential voluntary Board of up to 15 members including the Chairman. Membership is selected to represent employers, large and small, public and private, from across the UK. The composition of the Board provides as wide a geographical coverage of the UK as possible and a broad representation between manufacturing and service industries, companies and the public sector including agencies. It is important that they provide informed independent advice. Neither the Chairman nor members receive a salary but they may be reimbursed for travel and subsistence incurred as a direct consequence of conducting NEAB business. NEAB meets at least 3 times a year to discuss employer related issues and the Chairman may call other meetings as necessary. He has, by arrangement, right of access to the Secretary of State for Defence, other Ministers, senior officers and officials as appropriate. The MOD allocates £15K a year to cover NEAB expenses.

³ MSU/4/8/2/2 dated 12 July 2012. Secretary of State for Defence letter to Minister Cabinet Office.

Key Principles of the Review

7. The review of NEAB was completed in December 2012 in accordance with the Cabinet Office guidance. The guidance details that all reviews should be conducted in line with the following key principles:

a. **Proportionate.** The Cabinet Office requires that the review should not be overly bureaucratic and should be appropriate to the size and nature of the NDPB in question. NEAB has no executive or operational role and its primary role is to provide advice. It comprises a small body with a maximum membership of 15 including the Chairman. Members attend 3 meetings a year and the Chairman can arrange other meetings if required. The Chairman and members are appointed to act on a voluntary basis and do not receive a salary but can claim travel and subsistence expenses when attending NEAB business. NEAB is responsible to the Secretary of State for Defence and support is provided from the MOD by the Assistant Chief of Defence Staff Reserves Forces and Cadets (ACDS RF&C). The Department considered that an internal review led by a Senior Military Officer independent of the sponsorship of NEAB was appropriate, proportionate and would provide value for money for the tax payer.

b. **Challenge and inclusivity.** The review has been robust and rigorous and has examined the continuing need for the NEAB key functions and whether the advice that the Board provides to the Secretary of State for Defence, the Chiefs of Staff (COS) and the Reserves Community could be delivered as effectively or more effectively by alternative means. Parliament was informed at the start of the review and will be made aware of its findings and conclusion. NEAB have been engaged with this review and invited to provide comment and are aware of the review's conclusion.

c. **Timely.** The Review was announced by a Written Ministerial Statement and was completed quickly and did not disrupt NEAB's business. The Department is required to conduct a triennial review of NEAB in accordance with the timelines agreed with the Cabinet Office.

d. **Transparency.** The findings of the review will be announced by a Written Ministerial Statement and published by the MOD.

d. **Value for money.** The cost of the review was borne from within existing resources.

STAGE ONE

NEAB's Key Functions

13. NEAB's key functions detailed in the NEAB Memorandum of Understanding (MOU)⁴ are to provide:

- Informed independent strategic advice to Ministers, the COS and the Reserves Community about how the MOD can most effectively gain and maintain the support of employers for Britain's Reserve Forces.
- Facilitation of strategic engagement with the business community, senior opinion formers and the employers for Reservists to get the Defence message across to the commercial world.
- Advice on the efficiency, effectiveness and conduct of the MOD's SaBRE (Supporting Britain's Reservists and Employers) employer support campaign.

The Continuing need for the key functions

- Under FR20 reserves will be an integral component of the UK's Defence capability, will have a greater role, and will be more integrated with the Regular component of the Armed Forces.
- Greater reliance on reservists means that Defence will have an increased need to understand the current and future employer market in order to sustain the supply of reservists to deliver the required operational capability.
- Defence is susceptible to changes in the employer market place.
- Achieving this new level will require a stronger relationship with civilian employers and society as a whole, which relies on the Armed Forces for its defence and security.
- The employer community is recognised by the FR20 Report as an important stakeholder group for Reserves and Defence will need to continue to develop an open relationship with employers, which is tailored according to the size and sector of the employer.
- NEAB provides informed employer advice and opinion and is a vital part of the Defence Employer Support Strategy⁵.

Summary

In order that Defence can effectively gain and maintain the support of employers for Britain's Reserve Forces it will have an increased need to understand the current and future employer market to sustain the supply of reservists to deliver the required operational capability.

Why does NEAB need to be independent?

- NEAB needs to be independent so that the advice it provides to Ministers and Defence are not constrained by the MOD or the Chain of Command.

⁴ RFC/3/3/1 NEAB Memorandum of Understanding dated Jan 2010.

⁵ MOD Reserve Forces Employer Support Strategy dated Feb 2010.

- Its independence ensures that the advice to Ministers is delivered with political impartiality and it should not be perceived as anything other than independent as this would undermine its status.
- The MOD needs an impartial perspective from the employer community and employer organisations so that it can respond appropriately to sustain the supply of reservist manpower.

Summary

The advice to Ministers needs to be informed, independent and politically impartial. The increased reliance on Reserves planned under FR20 makes this more important than before.

Examine how each function might best be delivered

a. Informed independent strategic advice to Ministers, the Chiefs of Staff (COS) and the Reserves Community about how the MOD can most effectively gain and maintain the support of employers for Britain's Reserve Forces.

(1) Abolish function.

- This is not considered an option. Under FR20 there will be an increased reliance on reserves and an increase in both the support provided by and to employers. Employers will be key to the delivery of FR20 and sustaining the Reserves thereafter.
- Defence needs to understand the employer perspective in order to ensure that it can effectively gain and maintain the support of the employers for Britain's Reserve Forces.
- Defence needs to understand the employer perspective in order to develop an open three-way relationship between reservist employer, the reservist and Defence.

(2) Move Out of Central Government.

- The MOD needs to deliver this function within limited resources and by a process that offers value for money and is not constrained by commercial rates. No salaries are paid and remuneration is limited to travel and subsistence expense only.
- Reservists come from a wide range of employers therefore Defence needs to understand the impact that reserve service has on a wide range of different employers, public and private, large medium and small.
- Delivery by any of other sector would be perceived as losing the independent and strategic advice provided to Ministers, the Chief of Staff and the Reserves community.
- Gaining informed advice would come at a cost, NEAB is a low cost and effective mechanism valued by stakeholders.

(3) Function Delivered In-House.

- If this function was brought in-house the advice to Minister and COS would not be independent or impartial, would not represent the views of employers and would undermine the valued independence of the Board.
- The expertise and knowledge is not available in the Department.
- The views from employers would be constrained by the MOD and the Chain of Command.

(4) Delivered by an independent advisory NDPB.

- NEAB provides a non-government impartial viewpoint from an employers' perspective on MOD initiatives affecting employers.
- NEAB provides external expertise that represents employers, large and small, public and private, with a geographical spread across the UK.
- NEAB is structured to ensure that Defence is provided with appropriately informed advice. An independent standing Board comprising experts with specialist knowledge of the employer community is a very effective way of delivering this function.
- The function is advisory and does not need to be established in statute or carry out an executive, regulatory and/or commercial function or have charitable status.
- Provides expertise and knowledge not available in the Department.
- Members gain experience of Defence and continuity is important.
- NEAB is a unique reference group but in order to provide independent strategic advice and facilitate strategic engagement with the business community, senior opinion formers and the employers for Reservists, the membership should have a balance of skills, experience, independence and knowledge. Members are recruited from across the UK and from a diverse range of business backgrounds and related organisations.

(5) Delivery by a new Executive Agency or Executive NDPB.

- The functions of NEAB do not warrant the creation of a separate structure and it is an advisory body that does not administer public funds or have decision making functions.

(6) Merge with another body.

- There are other advisory bodies across central government that provide expert advice but none whose key functions are to provide informed independent strategic advice to Ministers, the COS and the Reserves Community about how the MOD can most effectively gain and maintain the support of employers for Britain's Reserve Forces. This requires a particular knowledge and expertise.

Summary

Only NEAB acting as an NDPB can deliver this key function. Defence needs to understand the employer perspective in order to enhance the relationship with employers in order to develop and maintain a robust, balanced and open three-way dialogue between reservist employer, the reservist and Defence. The expertise and knowledge of the employer market is not available in the Department.

b. Facilitates strategic engagement with the business community, senior opinion formers and the employers of reservists to get the Defence message across to the commercial world.

(1) Abolish.

- The employer stakeholder group has distinct characteristics and information needs with regard to Reservists. The employer community needs to receive a unique and defined communication strategy nationwide at a national and regional level.
- Employer support is delivered at national level to create an environment within which regional and unit level support can flourish.

(2) Move Out of Central Government.

- All engagement must be co-ordinated and consistent to avoid conflict and mixed messaging.
- NEAB gains an understanding of the MOD and the Reserves capability and can communicate this across the commercial world.
- This function could be delivered out of Central Government but this is likely to increase the financial costs of delivery and currently the advice is provided at minimal cost with members entitled to claim travel and subsistence only when attending NEAB meetings.

(3) Function Delivered In-House.

- The Department does not have the experience of the employer community and would not understand its unique characteristics.
- The employer stakeholder group is wide and shares distinct characteristics and information needs with regard to Reservists. The employer community needs to receive a unique and defined communication strategy nationwide.

(4) Delivered by an independent advisory NDPB.

- Defence needs to continue to develop and sustain the relationship with employers in order that employers will support Reservists' military service; this is known as employer support.
- Defence needs to be able to communicate with the business community at large and does this through NEAB.
- The MOD needs to engage and communicate fully and flexibly with employers to ensure a positive working partnership in the implementation of FR20.

(5) Delivery by a new Executive Agency or Executive NDPB.

- This function does not warrant the creation of a separate structure and is one of the roles that NEAB performs.

(6) Merge with another body.

- An element of NEAB's role is to advise Ministers and the COS how to engage and communicate with employers. Other NDPBs may not have members drawn from across the business community who can operate at a strategic level.

Summary

Employer support is delivered at three levels: National, Regional and Unit level. NEAB provides the national level advice to Ministers and the wider MOD that is informed, politically impartial and independent. This function could be delivered out of central Government but there would be a cost to the MOD.

c. Advice on the efficiency, effectiveness and conduct of the MOD's SaBRE (Supporting Britain's Reservists and Employers) employer support campaign.

(1) Abolish function.

- Without the strategic independent advice from employers the SaBRE employer support campaign would not be effective.
- Using the advice from NEAB the MOD has been able to deliver effectively the employer support campaign.

(2) Move Out of Central Government.

- Another organisation would not have an understanding of military capability and the part that employers have in delivering the reserves component.
- This would come at a cost with the MOD paying commercial rates.

(3) Function Delivered In-House.

- This function could be delivered in house but the Department gains independent and impartial advice on the efficiency, effectiveness and conduct of the SaBRE employer support campaign.
- The expertise and knowledge of how to engage with employers is not available in the department.

(4) As an independent advisory NDPB.

- Defence needs to understand how to engage with employers and how employers and potential employers of Reservists currently perceive the Armed Forces.

- NEAB provides independent and impartial advice that enables the MOD to deliver an effective employer support campaign.
- NEAB augments the MOD's capability by providing the employer perspective and advising how the MOD can gain and maintain the support for Britain's Reserve Forces.
- It provides an understanding of the employer environment and helps the MOD to anticipate changes in the employer environment.

(5) Delivery by a new Executive Agency or Executive NDPB.

- This function does not warrant the creation of a separate structure and is one of the advisory roles that NEAB performs.

(6) Merge with another body.

- NEAB is part of the national level support for employers and the MOD can call upon NEAB for advice on the efficiency and effectiveness of the SaBRE employer support campaign. This is one element of NEAB's role requiring knowledge of the MOD's employer support policy and an integral part of NEAB's key function.

Summary

The MOD through the Employer Support Strategy is committed to developing and maintaining the relationship between the Reservists, Defence and the employer. Without effective employer support, it would not be possible to recruit and retain sufficient personnel to maintain a deployable Reserve.

Recommendation.

18. Retaining NEAB in its current form as an independent advisory NDPB remains the most appropriate option for the delivery of advice to Ministers, the Defence Chiefs and the Reserves Community. NEAB has been reviewed against the technical, impartiality and transparency tests. It needs to be independent and impartial and its expertise and knowledge are not available in the Department. NEAB meets all three of these tests. Costs are minimal, comprising expenses incurred only as a direct result of attending NEAB business, and secretariat support is provided by the sponsoring business area in the MOD. NEAB was reviewed in 2010 and Secretary of State for Defence responded to Minister Cabinet Office⁶ that NEAB was still needed and met the Cabinet Office tests. This review has demonstrated that this conclusion remains extant.

⁶ MSU/4/8/2/2 dated 12 Jul 10. Public Bodies. Secretary of State for Defence letter to Minister Cabinet Office.

CORPORATE GOVERNANCE OF THE NEAB

Accountability

19. NEAB operates within the framework set out in the NEAB MOU⁷. It is an advisory NDPB which is responsible to the Secretary of State for Defence. Routine contact between NEAB and the MOD is through the Reserve Forces & Cadets Division (RF&C).

20. The MOU was last reviewed on the appointment of the current Chairman in January 2010 and describes clearly the aims and objectives and its relationship with the Secretary of State (SofS). The MOU describes the functions of the Board and sets out the Board's and the Department's respective roles. The Chairman has, by arrangement, right of access to the Secretary of State for Defence, other Ministers, senior officers and officials and regularly provides advice to SofS. The Chairman has written to and met with Minister during the last year and regularly makes office calls to senior officers and officials in the MOD. In accordance with Cabinet Office guidance, Chairman NEAB should produce an annual report to inform Parliament on the activities of the Board.

Summary

The MOU provides the framework within which NEAB can operate but should be reviewed to ensure that NEAB's aims, objectives and functions reflect changes under FR20 where there will be an increased importance in understanding and anticipating changes in the employer environment. An annual report will inform Parliament of the activities of the Board.

Role of the Sponsoring Department

21 Assistant Chief of Defence Staff (Reserves & Cadets) (ACDS(R&C)) is head of the sponsoring unit within the MOD and he exercises scrutiny and oversight of the body by regularly attending NEAB meetings. Secretarial support to NEAB is provided by a member of staff in his Division. The Chairman meets regularly with ACDS (R&C) and Head of RF&C.

Role of Board

22 The aim of the Defence Employer Support Strategy is to develop and sustain the relationship between the Armed Forces, the Reservist and their employers in order that employers will support Reservists' military service. The role of the Board is clearly defined in the NEAB MOU. The MOU will be amended to reflect any changes to NEAB's role as a result of FR20. The Board exists to provide informed but independent strategic advice to the Secretary of State for Defence and the MOD about how the MOD can most effectively gain and maintain the support of the employers of Britain's Reserve Forces. The principal mechanism by which the MOD develops Employer Support is through the Supporting Britain's Reservists and Employers (SaBRE) campaign. To aid this process, RF&C ensures that the Board has access to any relevant information and receives a Defence update by ACDS (R&C) at each meeting.

23 The Board shall not exceed 15 members that will meet at least 3 times a year. The current Board has a balance of skills, experience, independence and knowledge.

⁷ RFC/3/3/1 NEAB Memorandum of Understanding dated Jan 2010.

Members are drawn from across the UK and between manufacturing and service industries, large and small companies and public sector including employer organisations.

24 The sponsoring Division should ensure in accordance with the Cabinet Office guidance that there is an annual evaluation of the Chair and individual Board members.

Summary

The Reserve Forces will grow and will be an integrated element of the Armed Forces. A more open relationship, tailored to reflect the different benefits and impacts Reserve Service can have on different types of employers will be needed and the findings of the Regular Basing Study and the resulting Reserves and Cadets Estate lay-down may change the UK footprint of Reserves. The composition of NEAB needs to ensure that it has a broad representation between manufacturing and service industries, companies and the public sector including agencies so that it can provide advice from the employer community. Reserves are recruited and serve at units throughout the UK therefore NEAB membership should provide if possible a wide geographical coverage to reflect this structure.

Role of the Chairman

25 The role of the Chairman is clearly defined in the NEAB MOU enclosed. He is responsible for providing effective leadership and ensuring that the Board meets at regular intervals and that minutes of the meetings accurately record the decisions taken and, where appropriate, the views of individual board members. He ensures that members have an opportunity to openly express their views at meetings. He communicates the views of the Board to Ministers and the Service Chiefs and also represents the views of the body to the public if required, and ensures that new members are inducted onto the Board and assesses member's performance when members are considered for re-appointment.

Role of Board Members

26 The duties, role and responsibilities, terms of office and Board Members' entitlement to remunerations are clearly defined in the MOU. Members are selected on merit as individuals or as representatives of institutions (e.g. CBI, TUC, FSB) and are expected to bring to bear their experience in support of NEAB. The MOU highlights the composition of the board and the Chairman and the MOD ensures that members are independent and drawn from a diverse range of business backgrounds as possible from across the UK. Once appointed the Chairman ensures that the MOD completes a comprehensive induction process for new members.

27 Members are expected to attend board meetings and carry out associated work when required. They have a collective responsibility to engage fully in Board meetings, taking account of the full range of relevant factors, when providing advice. Members are expected to maintain contact with employers, and with the Reserve Forces and Cadets Associations (RFCA) and their associated Employer Support Committees. This ensures that members gain and maintain an awareness of regional issues, provide strategic advice to the regional deliverers of employer support through direct contact with the RFCA volunteer membership and regional chains of command. The attendance of members at meetings is recorded in the minutes of the meetings. The annual program of meetings is notified to members by the sponsoring division.

Summary

A Sub-Committee group was formed in October 2012 to consider the Future Reserves 2020 Consultation Paper and provided its findings to the Chairman and the Board in January 2013. Through the affiliation with the RFCA, NEAB members bring the regional issues to the attention of the Board. This relationship between NEAB members and the RFCA Employer Support Committees should be maintained as it provides an opportunity for members to understand how the SaBRE campaign is being implemented regionally and gain an awareness of regional issues. In this regard each member should be affiliated to one or more of the RFCAs.

Appointments to the Board

28. All appointments to the Board are in accordance with the Code of Practice issued by Office of the Commission for Public Appointment (OCPA) and using the MOD Statement of Civilian Personnel Policy – Making Public Appointments⁸ issued by Defence Business Services. Members are recruited by fair and open competition and the appointment process is formal, rigorous and transparent. In order to ensure that a wide field of candidates is achieved vacancies are advertised on the Cabinet Office Public Appointments website and using other media e.g trade press or main stream media or regional organisation such as the RFCAs to encourage a diverse pool of applicants from across the UK.

29. The Chairman is appointed by SofS for an initial period of 5 years and this may be extended up to a maximum of 10 years subject to satisfactory performance. Similarly Board Members can also serve for a period of 5 years and can be extended up to a maximum of 10 years subject to satisfactory performance.

30. In the last 12 months there have been no new appointments to the Board and the Chairman has formerly notified 2 members that their membership ceased on 31 Dec 2012.

Summary

Board membership is reviewed by the Chairman and the sponsoring MOD division periodically to ensure that the Board is performing effectively and composition of the Board reflects the requirements of the MOD. The MOD intends running a recruitment campaign during 2013 and this will be in accordance with the OCPA Code of Practice.

Financial Management

31. The Board has no formal financial accountability other than for claims for reimbursement of expenses incurred as a direct consequence of attending NEAB meetings. The MOU details the financial framework for the reimbursement of expenses to members and the Chairman and sets out the rules governing the claiming of expenses. Members of NEAB do not receive a salary but the MOD considers that the payment of travel & subsistence when attending NEAB events is both appropriate and justified.

32. Funds for NEAB expenses are made available through the RF&C budget for employer support. Claims for expenses are processed by RF&C and will only be reimbursed against original invoices or receipts for actual expenditure. These must be presented to RF&C for countersigning and authorisation of payment. Members'

⁸ MOD Statement of Civilian Personnel Policy – making Public Appointments dated 01 Apr 12.

expense claims with associated invoices and receipts are held by RF&C with duplicate copies held by the SaBRE Business and Finance Administrator.

Summary

The NEAB MOU details the financial framework and sets out the rules for members if they claim expenses. Any changes to the rules or the rates for claims are notified to members and they are aware of the process for making claims. Travel and subsistence claims are processed by the MOD and NEAB does not produce its own accounts. There is therefore no requirement for the Board to establish an audit committee as it has no financial accountability for expenses.

Communications

33. NEAB has a clear and effective channel of communication with the Ministers and the staff within the MOD. The Chairman has access by appointment with Ministers and Principal Officer's within the MOD and at the single Service Command Headquarters. Board members have an affiliation with the regional RFCA gaining understanding of regional issues and provide strategic advice directly to these associations and the regional chains of command. Through their professional contacts the members have access to the business community.

34. NEAB is compliant with the Freedom of Information Act 2000 and requests are dealt with by the MOD Secretariat.

35. NEAB meets at least 3 times throughout the year and can invite others to attend who may assist in providing strategic advice to the MOD. In accordance with transparency best practice, the Board will complete an Annual Report detailing the activities of the Board during 2012/13 to inform Parliament. Public meetings are not considered necessary due to the size and the specialist key functions of the Board.

Summary

NEAB does not currently have a dedicated website but reference to the Board is made in the SaBRE Website. The Department should consider whether NEAB should have a dedicated website where it can host information on the Board.

36. The MOD sponsors provide the secretary for the meetings and promulgates the agenda and produces the minutes of meetings for the Chairman.

Conduct and Behaviour

37. The MOU includes the OCPA Seven Principles of Public Life, which are also provided with appointment letters. The MOU also contains the Public Service Values, Standards in Public Life and Handling Conflicts of Interest. The Chairman retains a copy of the Cabinet Office Code of Conduct⁹ and all members are aware of the Code and it forms part of their terms and conditions of employment and is included in their conditions of appointment. The Cabinet Office Code of conduct includes guidance on members accepting other appointments, political activity, use of official information, and gifts and hospitality are these are contained in members terms of appointment and are detailed in the MOU. The minutes of the meetings indicate that members are fully involved in the activities of the Board.

⁹ Cabinet Office Code of Conduct for Board Members of Public Bodies dated June 2011.

38. The MOU provides very clear guidance on the rules and procedures for managing conflicts of interest. Board members' are asked to declare any personal or business interests which may or be perceived to influence their judgement.

Summary

The Cabinet Office Code of Conduct sets out the standards of personal and professional behaviour expected of the Chairman and members. In accordance with guidance a Register of Interest is to be maintained. This should be updated following the changes to the membership that are anticipated in 2013.

Annex A – Details of NEAB membership

Richard Boggis-Rolfe was appointed Chairman NEAB in January 2010. He is Chairman and Chief Executive of Odgers Berndtson whose business is to advise on appointments for critical executive and non-executive appointments in the UK and internationally. Odgers Berndtson works in a wide range of industry sectors and management functions: although the majority of its business is with clients in the commercial and financial sectors. The firm is UK market leader in recruiting for clients in central and local government and the health and education sectors. It is now the leading British owned executive search business and one of the largest in the world; it has offices in the UK, China, Hong Kong, Vietnam, Singapore and the Middle East. He also serves as a Governor of Westonbirt School, was Master of the Pewterers Company in 2011/12 and is a Trustee of the Holfords of Westonbirt Trust.

David Amos is a healthcare HR and public services management consultant working with a wide range of NHS and public service providers. He has worked at the Cabinet Office, supporting efforts to promote jobs and skills across the public services during, and coming out of, the economic downturn. He was previously the Workforce Director at University College London Hospitals NHS Foundation Trust. He is also a visiting professor for Workforce Development at London South Bank University. He was re-appointed in January 2012.

David Frost is Chairman of Network of Local Enterprise Partnership and is also Chairman of Vinspired, an organisation that inspires young people to discover the value of volunteering. David was Director General of the British Chamber of Commerce from 2003 to 2011 promoting the interests of British Business. He is a member of the Board of Companions of the Chartered Management Institute and an Ambassador of the Studio Schools Trust. He is master of the Worshipful Company of Loriners and Deputy Lord Lieutenant of West Midlands and a Trustee of the Sir Josiah Mason Trust and the Ufi Charitable Trust. He was previously Chief Executive of Coventry and Warwickshire Chamber of Commerce and before that he ran East Mercia Chamber. Awarded a CBE in 2011 for services to business. He was re-appointed in January 2011.

Elizabeth Haywood is a partner in the Haywood Hain specialising in Recruitment, PR/Communications and Business Development. She is a former Managing Director of KMC International, a leading recruitment consultancy. She is an invited member of the Chartered Management Institute's public leadership forum, a member of the Commission for Racial Equality Wales advisory panel, and a member of the Wales Millennium Centre Board, and Regional Chair of the Clydesdale Bank. She was re-appointed in January 2012.

John Hazelwood is deputy Chairman of the Design Council. He enjoyed a long career with Unilever until his retirement and in 1984 he was appointed Managing Director of Walls Ice Cream. He has served as Chairman of the West of England Development Agency and is currently Chairman of the Gloucestershire Rural Community Council and is also a Deputy Lieutenant for Gloucestershire. He was re-appointed in January 2009.

Neil Johnson is Chairman of Motability Finance Ltd, Hornby Plc, Cybit Plc, and Tenon Plc and sits on the boards of a number of private companies and Trusts. He has worked in the automotive industry serving as a member of the main board of Rover Group Plc

and has also served as Director General of the Engineering Employers' Federation, Chief Executive officer of the RAC and on the World Council of the FIA as a vice-president. He was re-appointed in January 2010.

David Mackay has served as a non Executive Chairman designate of Portland Media Group and as the non-Executive Director of Express Newspapers in Scotland and as Executive Director of Lothian Buses plc and as Group Chief Executive of John Menzies. He is a Fellow of the Chartered Institute of Transport and Logistics and has served as a non-executive director of the Transport Edinburgh Ltd and was appointed Chair of Transport Initiative Edinburgh in 2009. He was re-appointed in January 2012.

Tim Melville-Ross is Chairman of Royal London Insurance, he is also Chair of the Higher Education Funding Council for England. Previously served as Chairman of DTZ Holdings, director of Bovis Homes, President of the Chartered Management Institute and was the Director General of The Institute of Directors and before that the Chief Executive of Nationwide Building Society. He was re-appointed in January 2012.

Delva Patman heads a London based chartered surveyors and design consultancy. She is also a Director of Pennycrest Investments. She has held many chairmanships including the first female Master of the Worshipful Company of Chartered Surveyors and has served as Chairman of Redbridge and Waltham Forest Health Authority and Chairman of Roding College of Nursing. She is Vice Chairman of the Royal Institution of Chartered Surveyors and is a fellow of the Royal Institution of Chartered Surveyors and the Royal Society of Arts, and an associate of the Chartered Institute of Arbitrators. She was re-appointed in January 2011.

John Wright is Chairman of Briscoe-Wright Associates. Formerly Chairman of the Federation of Small Business. He is a Licentiate Member of the Chartered Institute of the Chartered Institute of Personnel & Development and a member of the Chartered Institute of Management and is actively involved in the regional business community as a Member of the Northern Business Forum. In the immediate past he was Chairman and Director of Tees Valley Business Link and formerly Regional Chairman of the North East Regional Policy Unit for the Federation of Small Businesses. He is a member of the Northern Regional Employment Tribunal panels and is an Arbitrator for Newcastle University and is also Vice Chairman and Director of Tees Valley Wildlife Trust and past Chairman and Director of Tees Valley Industrial Ministry and Director and past Chairman of Unite. He was re-appointed in January 2012.

David Yeandle is Director, Government Relations of the European Employers Group. He was until recently Head of the Employment Policy, Engineering Federation. His previous roles include Deputy Director of Employment Policy and Head of Employment Affairs. He is a member of the Chartered Institute of Personnel and Development, the Executive Council of the Involvement and Participation Association (IPA), a Fellow of the RSA, and was a Visiting Fellow at the School of Management. He was re-appointed in January 2012.