

NATIONAL EMPLOYER ADVISORY BOARD (NEAB)

MEMORANDUM OF UNDERSTANDING

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MEMORANDUM OF UNDERSTANDING SIGNATORIES

Agreed, on behalf of the Secretary of State for Defence and the National Employer Advisory Board, by:

Original signed

Original signed

Minister Armed Forces

Chairman, for the
National Employer
Advisory Board

Dated: Jan 2010

INTRODUCTION AND BACKGROUND

Introduction

1. This Memorandum of Understanding describes the National Employer Advisory Board's (NEAB) aims and objectives and its relationship with the Secretary of State. It describes the functions of the Board and sets out the Board's and the Government's respective roles. The MOU will be reviewed when required, and at least every five years. Variations will be incorporated as circumstances change and will be agreed by the Board and the Ministry of Defence. Substantive changes will be made only with the approval of the Secretary of State. Copies of this Memorandum will be placed in the Libraries of both Houses of Parliament.

Background

2. NEAB is the successor to the National Employer Liaison Committee (NELC), which was set up in 1986 by the then Secretary of State for Defence in response to concerns that unsympathetic employers could adversely affect recruitment and retention in the Volunteer Reserve Forces. In 1988, the Secretary of State accepted NELC's recommendation to fund a Volunteer Reserve Forces Campaign (VRFC) directed by the MOD but advised by NELC. Following the 1998 Strategic Defence Review, with its emphasis on the greater use of the Volunteer Reserve Forces, there was renewed concern about the release by employers of their staff for training and military service. NELC and the MOD prepared a number of recommendations for ways in which the MOD could build on existing goodwill and engage with less supportive employers. These led to the VRFC's evolution to the SaBRE (Supporting Britain's Reservists and Employers) Campaign and the transformation of NELC to NEAB. This MOU reflects those changes.

3. NEAB is a Non Departmental Public Body and, as such, members are appointed in accordance with the guidance produced by the Office of the Commissioner of Public Appointments. Board membership will be reviewed by the Ministry of Defence periodically to examine critically both the justification for the Board on policy grounds and its internal system of financial management and control.

ROLE OF NEAB

1. Employer Support is required to enable the training and mobilisation of reserve forces personnel. NEAB 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 tries to

develop Employer Support is through the SaBRE Campaign, described at Annex A. NEAB is required to provide advice on the efficiency, effectiveness and conduct of that Campaign. Such advice is formally provided by Chairman NEAB through his membership of the Employer Support Executive Committee (Annex A).

2. NEAB advice can be sought by the MOD. Alternatively, NEAB can proffer advice on employer support related matters without request. Routine contact between NEAB and the MOD is through the Reserve Forces and Cadets (RF&C) staff in the form of AHd Capability (AHd Cap). But Chairman NEAB has, by arrangement, right of access to the Secretary of State for Defence, other Ministers, senior officers and officials as appropriate. Members will not normally deal directly with Ministers or the MOD on a matter affecting the Board without the prior knowledge of the Chairman, except as described in paragraph 5 to Annex B.

3. It is important that NEAB retains its independence as an advisory rather than an executive body. NEAB is not part of the MOD or the Chain of Command and it is important that NEAB is not constrained by these bodies in the advice that it gives on Employer Support issues. It is also important that NEAB operates at the strategic level and deals with principle rather than detail i.e. “what should be done” rather than “how”. Notwithstanding its independence, it is also important that NEAB members are informed about the MOD and its intentions for reservists so that their advice is in the right context. MOD will facilitate NEAB’s access to the single Services and the Chain of Command. NEAB members are expected to maintain contacts with employers, and with the Reserve Forces and Cadets Associations and their associated Employer Support committees; in this regard, each NEAB member is encouraged to form an affiliation with one of the Reserve Forces and Cadets Associations (RFCA) and attend some of its Employer Support meetings. This will enable members to gain 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, and understand how the SaBRE campaign¹ is being implemented in order to inform Chairman NEAB, who attends the Employer Support Executive Committee.

COMPOSITION OF NEAB AND ATTENDANCE AT MEETINGS

1. NEAB is a Non-Departmental Public Body which is responsible to the Secretary of State for Defence through the Ministry of Defence. The appointment of NEAB’s Chairman and members is subject to procedures issued by the Office of the Commissioner for Public Appointments (OCPA); this process is administered in respect of NEAB by RF&C staff. Members are required to adhere

¹ See Annex A.

to the Code of Conduct at Annex B and they are expected to have regard to the general guidance on political activities for members of public bodies.

2. The Board shall not exceed 15 members, including the Chairman, and shall normally include representatives from the Confederation of British Industry, the Trades Union Congress, the Institute of Directors and the British Chambers of Commerce. It is important that the composition of the Board provides wide geographic coverage of the United Kingdom and a broad representation between manufacturing and service industries, larger and smaller companies and public sector including agencies.

3. The Chairman of the Board is appointed by the Secretary of State for Defence for an initial period of up to 5 years. Board members will normally serve for a term of 5 years but this may be extended up to a maximum of 10 years. On appointment, a new member will be provided with a letter of appointment and a copy of this Memorandum of Understanding. Their attention will be drawn to the Code of Conduct and they will be required to make an appropriate entry in the Register of Interests held by the Secretary to the Board (RF&C Capability SO1 Employer Support). RF&C staff will arrange an induction and familiarisation programme for new members.

4. The Chairman and members are all appointed to act on a voluntary basis. The Chairman is expected to devote more time to Board duties than other members, whose commitment centres on attendance at formal meetings. However, members may also be given individual tasks by the Chairman. Any such tasks will be coordinated and detailed in the Board's Annual Report. Appointment gives no security of tenure and, if a member is continuously unable to attend or contribute, the appointment will be terminated.

5. Reserve Forces and Cadets (RF&C), RF&C AHd–Cap and the RFCA Lead for Employer Support will support NEAB and will attend meetings as required. In addition, single Service representatives and others may be invited to attend. RF&C Capability SO1 Employer Support will act as Secretary to NEAB meetings and provide administrative support.

NEAB MEETINGS AND REPORTS

Meetings

1. NEAB will meet at least three times a year, to discuss NEAB business, as follows:

- In January, which also includes a review of the SaBRE Business Plan for the next financial year.
- In the Summer, to receive a brief from MOD staffs.

- In the Late Autumn, which also includes a review of SaBRE progress against that financial year's Business Plan.
2. Chairman NEAB may call other meetings as necessary and NEAB members will be expected to attend the briefing provided by the MOD.

Reports

3. NEAB is required to produce an annual report for the previous financial year to be submitted to the Secretary of State for Defence by 1 August with copies placed in the libraries of both Houses of Parliament. Annual reports will detail the activities undertaken by the Board in that year and account for expenditure of any funds provided by the Ministry of Defence. Reports will also include details of Board members and will identify members newly appointed during the year. In addition, they will list any particular responsibilities given to individual members by the Chairman.

STRUCTURAL AND FINANCIAL FRAMEWORK

1. The Secretary of State for Defence is accountable to Parliament for the activities of NEAB. Immediate responsibility for the Board rests with the Minister for Armed Forces (Min(AF), who will answer questions raised by members of Parliament, and respond to debates about the Board and its activities.
2. The Secretary of State, acting where necessary through his ministerial team, undertakes to:
 - a. Enable the provision of funding to meet NEAB expenses.
 - b. Appoint and remove the Chairman.
 - c. Require from NEAB information and advice about employer support for the Reserve Forces and articulation of the Defence case to the business community.
 - d. Set the broad policy framework for the Board and make general directions to it about the exercise of its functions.
3. NEAB has no formal financial accountability other than for claims for reimbursement of expenses incurred as a direct consequence of being an active NEAB member. Funds for such expenses will be made available through the DRFC budget. Neither the Chairman nor the members receive remuneration but they may be reimbursed for expenditure on travel and subsistence, child care and any other payment which the Ministry of Defence agrees is a reimbursement rather than additional income. In addition, the Chairman will be reimbursed for all reasonable expenses that he incurs in carrying out his duties including: hotel accommodation, subsistence and out of pocket expenditure; travel in the UK and overseas; entertainment; secretarial and administrative support. These expenses will

be reimbursed against invoices or other appropriate documentation countersigned by RF&C Capability SO1 Employer Support.

The SaBRE CAMPAIGN

1. The SaBRE Campaign is a marketing campaign aimed at providing information to the employers of reservists, thereby gaining and maintaining their support for Britain's Reserve Forces. The Campaign is directed by the SaBRE Executive Committee (SEC) which approves the plans and strategies that are generated by and funded through the Employer Support Policy staff and the Director of Reserve Forces and Cadets.

2. The Executive Committee comprises:

Chairman Assistant Chief of Defence Staff (Reserves and Cadets)

Members Chairman, NEAB
 Hd Reserve Forces and Cadets
 AHd Capability Reserve Forces and Cadets

Secretary RF&C Capability SO1 Employer Support

In addition, the following may attend as advisers and by invitation:

CE CRFCA (in his absence Lead Employer Support RFCA)
COMMARES
ACOS Reserves (Army)
ACOS Reserves (RAF)

3. The SEC meets at least twice per year. The first meeting takes place in the early New Year following receipt of advice from NEAB following its annual meeting to review the SaBRE Marketing Plan. The second meeting is in the early Autumn to review progress against the Business Plan.

MEMBERS' CODE OF CONDUCT

The Seven Principles of Public Life

Selflessness:	Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.
Integrity:	Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
Objectivity:	In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
Accountability:	Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
Openness:	Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
Honesty:	Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
Leadership:	Holders of public office should promote and support these principles by leadership and example.

Public Service Values

1. The Government expects all holders of public office to work to the highest personal and professional standards. In support of this, all non-executive board members of UK public bodies must abide by the principles set out in the Cabinet

Office Code of Conduct². The members of the National Employer Advisory Board must at all times:

- observe the highest standards of impartiality, integrity and objectivity in relation to the advice they provide and the management of the Board
- be accountable to Parliament and the public more generally for its activities and for the standard of advice it provides; and,
- in accordance with Government policy on openness, comply full with the Code of Practice on Access to Government Information

2. The Secretary of State for Defence is answerable to Parliament for the policies and performance of the National Employer Advisory Board, including the policy framework within which it operates.

Standards in Public Life and General Conduct

3. All Board members must:

- follow the Principles of Public Life set out by the Committee on Standards in Public Life, and detailed at the start of this Annex.
- comply with this Code, and ensure they understand their duties, rights and responsibilities, and that they are familiar with the function and role of the Board and of the SaBRE Campaign and of any relevant statements of Government or Departmental policy.
- not misuse information gained in the course of their public service for personal gain or for political purpose, nor seek to use the opportunity of public service to promote their private interests or those of connected persons, firms, businesses or other organisations; and.
- Not disclose any information which is confidential in nature or which is provided in confidence without authority. This duty continues to apply after members have left the board.
- not accept any gifts or hospitality which might, or might reasonably appear to, compromise their personal judgement or integrity or place them under an improper obligation.
- not misuse official resources for personal gain or for political purposes.

² Cabinet Office Code of Conduct dated 2011.

- not hold any paid or high-profile unpaid posts in a political party, and not engage in specific political activities on matters directly affecting the work of the Board or the SaBRE Campaign. When engaging in other political activities, Board Members should be conscious of their public role and exercise proper discretion. Although Members are disqualified from seeking election to the House of Commons or the European Assembly, these restrictions do not apply to local councillors or to Peers in relation to their conduct in the House of Lords.
- If members wish to take up a new employment or appointments during their term of office, they must inform the Chair and/or RF&C Capability SO1 Employer Support.

Role of Board Members

4. Members have collective responsibility for the operation of the Board. They must:

- Play a full and active role in the work of the body. You should fulfil your duties and responsibilities responsibly and, at all times, act in good faith and in the best interests of the body.
- engage fully in collective consideration of the issues, taking account of the full range of relevant factors, including any guidance issued by the Ministry of Defence or its Ministers.
- ensure that the Code of Practice on Government Information (including prompt responses to public requests for information) is adhered to, and agree an Annual Report.
- respond appropriately to complaints, if necessary with reference to the Ministry of Defence. Deal with the public and their affairs fairly, effectively, promptly, efficiently and sensitively, to the best of your ability.
- Respect the principle of collective decision-making and corporate responsibility. This means that, once the board has made a decision, you should support that decision.
- ensure that the Board does not exceed its powers or functions.
- Not use, or attempt to use, the opportunity of public service to promote their personal interests or those of any connected person, business or other organisation.

5. Communications between the Board and its Ministers will generally be through the Chairman except where the Board has agreed that an individual

member should act on its behalf. Nevertheless, any Board member has the right of access to Ministers on any matter which they believe raises important issues relating to their duties as a Board member.

The Role of the Chairman

6. The Chairman has particular responsibility for providing effective leadership on the above issues. In addition, the Chairman is responsible for:

- ensuring that the Board meets at appropriate intervals, and that the minutes of meetings and any reports to the Secretary of State accurately record the decisions taken and, where appropriate, the views of individual Board members.
- representing the views of the Board to the general public.
- ensuring that new Board members are briefed on appointment.
- providing an assessment of their performance, as required, when members are considered for reappointment to the Board or for appointment to the board of some other public body.

Handling Conflicts of Interest

7. The purpose of these provisions is to avoid any danger of Board members being influenced, or appearing to be influenced, by their private interests in the exercise of their public duties. Members must ensure that no conflict arises, or could reasonably be perceived to arise, between their public duties and their private interests – financial or otherwise. All Board members should therefore declare publicly any personal or business interest relating to the business of either NEAB or to the SaBRE Campaign or to any regional campaign which may, or may be perceived (by a reasonable member of the public) to influence their judgement. This should include, as a minimum, personal direct and indirect pecuniary interests and should normally also include such interests of close family members and people living in the same household.³ The Register of Interests is held by the NEAB Secretary and each member must ensure that their entry is kept up-to-date.

8. Members should not participate in any Board discussion or determination of matters in which they have an interest; should declare that interest for recording in the Minutes; and normally should withdraw from the meeting if:

³ Indirect pecuniary interests arise from connections with bodies which have a direct pecuniary interest or from being a business partner of, or being employed by, a person with such an interest. Non-pecuniary interests include those arising from membership of clubs and other organisations. Close family members include personal partners, parents, children (adult and minors), brothers, sisters and the personal partners of any of these.

- their interest is direct and pecuniary.
- their interest is covered in specific guidance issued by the Board or the Ministry of Defence which requires them not to participate and/or to withdraw from the meeting.

9. Members are responsible for ensuring that the Minutes of all Board meetings accurately reflect the discussion and their own contribution, or alternatively ensure their withdrawal in any circumstances has been recorded in the Minutes. There will also be occasions when Members are given access to sensitive military, commercial, personal or other information. They are expected to respect the confidentiality of any such information.

10. During their term of office, opportunities may arise for members to undertake consultancy or similar assignments on behalf of Defence related industry. It is recognised that in certain circumstances they may be able to offer services beneficial to the Defence related industry without detriment to their independent position as members. Any possible conflict of interest should be avoided. Where, after consultation with the Chairman and, if appropriate (and through AHd-Cap) the Ministry of Defence's Legal Adviser, there is still some doubt, or if any payment might be involved, Ministers should be consulted before any such appointment is accepted.

Personal Liability of Board Members

11. Legal proceedings by a third party against individual Board members of advisory bodies are very exceptional. A Board member may be personally liable if they make a fraudulent or negligent statement which results in a loss to a third party; or may commit a breach of confidence under common law or a criminal offence under insider dealing legislation, if they misuse information gained through their position. However, the Government has indicated that individual Board members who have acted honestly, reasonably, in good faith and without negligence will not have to meet out of their own personal resources any personal civil liability which is incurred in execution or purported execution of their Board functions. Members who need further advice should consult the Ministry of Defence through RF&C Capability SO1 Employer Support.