Code of Conduct for National and Area Council Members

**1. INTRODUCTION**

1.1 This document sets out a code of conduct for Council members of Arts Council England. It is based on the Cabinet Office’s guidance on *Code of Conduct for Board Members of Public Bodies* published in June 2019.

1.2 As public office-holders, members of Arts Council England’s national and area councils are expected to comply with the principles set out in this Code of Conduct. It is your responsibility to ensure that you are familiar with, and comply with, all the relevant provisions of the Code.

**2. KEY PRINCIPLES OF PUBLIC LIFE**

2.1 The key principles upon which this Code of Conduct is based are the Seven Principle of Public Life. These are:

**Selflessness**

Holders of public office should act solely in terms of the public interest.

**Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

**Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

**Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

**Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

**Honesty**

Holders of public office should be truthful.

**Leadership**

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

2.2 These principles should inform your actions and decisions as a council member.

**3. GENERAL CONDUCT**

**Use of Public Funds**

3.1 You have a duty to ensure the safeguarding of public funds and the proper custody of assets which have been publicly funded. This should be taken to include grant in aid and lottery funds as well as any income from fees, charges and other sources.

3.2 You must carry out your fiduciary obligations responsibly – that is, take appropriate measures to ensure that Arts Council England uses resources efficiently, economically and effectively, avoiding extravagance and financial waste It will always be an improper use of public funds for public bodies to employ consultants or other companies to lobby Parliament, Government or political parties.

**Allowances and Expenses**

3.3 You must comply with the rules set by Arts Council England regarding remuneration, allowances and expenses. It is your responsibility to ensure compliance with all relevant HM Revenue and Customs’ requirements concerning payments, including expenses.

**Gifts and Hospitality**

3.4 No council member may solicit or accept any gift or consideration as an inducement for doing or refraining from doing, or showing favour or disfavour to any individual or organisation in their role as a national or area council member.

3.5 Council members should consider whether any hospitality or gifts offered could be perceived as influencing or compromising their judgement or decisions as a council member. You must not accept any gifts or hospitality which might, or might reasonably appear to, compromise your personal judgement, integrity, or objectivity when making decisions or giving advice or place you under an improper obligation in your role as a member of national or an area council.

3.6 Hospitality includes meals or functions such as receptions and tickets or invitations to events. Applying the principle set out in paragraph 3.5 it is generally fine to accept the following hospitality from organisations that are funded or might potentially apply to Arts Council England for funding and there is no need to register it:

* + normal courtesies of meetings: tea, coffee, soft drinks, biscuits
	+ occasional working lunches: sandwiches and buffet food, more substantial meals provided as part of an event such as a conference or official visit as part of your role as a council member, and which is not targeted at you personally
	+ one-off moderate amounts of alcohol provided during entertainment related to a business purpose
	+ accommodation provided as part of a conference, training course or similar event
	+ entertainment or tickets to events which you attend as part of your role as a council member, for example a performance by a funded organisation or one to which you have been invited by an external partner body
	+ entertainment provided as part of a conference, training course or similar event, such as where you have been asked to give an after-dinner speech.

3.7 Other forms of hospitality may be accepted providing it is declared e.g.:

* + full meals provided to you personally, for example a lunch or dinner with a grant recipient which serves a business purpose.
	+ entertainment covered in paragraph 3.6 above which provides you with an extra ticket which could be used by a family member or friend.

3.8 Members should exercise the utmost care in accepting hospitality from an organisation whose application for funding is being assessed, or one that is imminently likely to apply to Arts Council England for funding.

3.9 No cash gift or a gift valued at more than £25 should be accepted. All gifts accepted should be declared. Only net hospitality need be declared, i.e. where there is an expectation that the hospitality will be reciprocated within three months then it need not be declared. An estimated value for hospitality (which includes additional complimentary tickets) need only be given when it is worth more than £50.

3.10 National council members should inform members of the central governance team of the details of any gifts and hospitality relevant to their role as a council member. Area council members should inform their area office of the details of any relevant gifts and hospitality. Details of gifts and hospitality received will be recorded in the register.

3.11 Council members are responsible for their decisions on the acceptance of gifts or hospitality and for ensuring that any gifts or hospitality accepted can stand up to public scrutiny and do not bring Arts Council England into disrepute.

**Use of Official Resources**

3.12 You must not use official resources[[1]](#footnote-1) for personal gain or for political purposes. Use of such resources must be in line with Arts Council England’s rules on their usage.

**Use of Official Information**

3.13 You must not use information gained during your term of appointment at Arts Council England for personal gain (either direct financial gain or indirect personal benefit) or for any political purpose.[[2]](#footnote-2)

3.14 You must not disclose any information which is confidential in nature or which is provided in confidence without prior written authority. This duty continues to apply indefinitely after you have left Arts Council England.

**Political Activity**

3.15 National and Area Council members should be, and be seen to be, politically impartial when discharging their Arts Council roles. They should not occupy a paid party political post or hold a particularly sensitive or high-profile role in a political party. They should abstain from all controversial political activity and comply with Cabinet Office rules on both attendance at Party Conferences[[3]](#footnote-3), and conduct during the period prior to elections and referendums (whether local or national).[[4]](#footnote-4)

3.16 On matters directly related to the work of Arts Council England, you should not make political statements or engage in any other political activity. Council members may be asked to refrain from being involved in public campaigns (this includes signing petitions or campaigning letters) where this conflicts with the Arts Council’s position.

3.17 In your role as a council member, you should be even-handed in all dealings with political parties.

3.18 Subject to the above, you may engage in political activity but should, at all times, remain conscious of your responsibilities as a council member and exercise proper discretion. You should inform the Chair before undertaking any significant political activity.

**Attendance at Council Meetings**

3.19 A council member is expected to attend all council meetings. A council member may be removed from office if he/she is absent from more than two consecutive meetings [or more than three meetings in any twelve-month period] unless the absence is due to illness or some other reason approved by the Chair.

**Employment and Appointments**

3.20 If you wish to take up new or additional employment or paid or unpaid appointments with any other organisation during your term of office, you must inform the Chair. Care should be taken if you accept additional public appointments to ensure that you are not being paid twice from the public purse for the same time.

**4. MEMBERS’ INTERESTS**

4.1 When accepting an appointment to the Arts Council you should consider if any conflicts of interest arise from your private interests or by virtue of any other roles you hold. You should consider, with advice from the Arts Council, how these should best be managed and agree the approach the Arts Council.

4.2 You must ensure that no conflict arises, or could reasonably be perceived to arise, between your public duties and your private interests –financial or otherwise.

**Declaring all relevant interests**

4.3 Council members are required to declare any interests that are relevant and material to Arts Council England which they might reasonably be expected to know about. Council members should declare such interests on their appointment, as soon as they arise or as soon as they become aware of them. Declarations of interest will be a standing item on all council and committee agendas.

4.4 It is recognised that council members can also be consumers of and participants in the arts and culture and that engagement with the arts and culture is part of a council member’s role. Such activities may not give rise to a declarable interest if the benefits are available to a wide range of people and are not personal. There would have to be a material interest and benefit for the requirement to declare it to apply.

**Managing conflicts of Interest and loyalty**

4.5 A conflict of interest or loyalty is any situation in which a council member’s personal interest, or interest which they owe to another body, could influence or affect decisions they may make as a council member.

4.6 It is recognised that conflicts of interest and loyalty occur. The issue is not the integrity of the individual concerned, but the management of any potential for an individual to profit from their position as a council member or to be influenced by conflicting loyalties. Even when no conflict is deemed to exist, the perception of a conflict can damage the reputation of an organisation, so care must be taken.

4.7 Conflicts of interest or loyalty might arise in a number of different ways. For example:

* A direct financial gain or benefit. In the case of members of National Council it is important to remember that the law states that trustees (in this case, National Council members) cannot receive any benefit from their charity in return for any service they provide to the charity unless the governing document expressly authorises it. (See paragraphs 4.12-4.14)
* The award of a contract or grant to an individual or organisation in which a council member has an interest;
* The employment of the partner of a council member by the Arts Council, or by a funded organisation, where their finances are interdependent; and/or
* A member has recently been or is about to become an employee, supplier, director, shareholder or board member of an Arts Council funded organisation. This includes work undertaken in a voluntary capacity.

4.8 These examples are not exhaustive.

4.9 Where a council member declares an interest in an item under consideration, then the meeting body should decide if it is sufficiently serious for the individual to leave the meeting during discussion of that item or whether they can stay. Arts Council England’s policy is that where a council member has a potential financial interest (either directly or because of a connected party such as a family member) then the council member should leave the room and not take part in any discussion or voting on the matter. Similarly, if a meeting participant has a substantial non-financial interest (conflict of loyalty) such as where the council member is an unremunerated non-executive board member, the council member should leave the room and not take part in the discussion or any voting on that item. Additional guidance on conflicts of interest and loyalty may be issued from time to time.

4.10 It is your responsibility as a council member to ensure that you are familiar with Arts Council England’s rules on handling conflicts of interests and loyalty, that you comply with these rules and that your entry in the register of members’ interests is accurate and up-to-date.

4.11 Arts Council England will publish the register of interests of members of its National Council.

**Direct and Indirect Financial Benefit to National Council Members**

4.12 Arts Council England’s Royal Charter restricts the extent to which members of National Council (the trustees) can derive direct and indirect financial benefits[[5]](#footnote-5) from the Council’s work.

4.13 Article 6(4) of Arts Council England’s Royal Charter specifies the direct or indirect financial benefits that are allowed under the Charter. They are:

(a) reasonable out of pocket expenses;

(b) remuneration and other benefits as may be determined from time to time by the Secretary of State to the chairs of national and area councils;

(c) costs relating to indemnifying national council members against personal civil liability for any act done honestly and in good faith in the course of their performing their duties as council members; and/or

(d) payments to any organisation or individual that the council member may have declared an interest in and/or connection to, providing:

* such payments are in the best interest of the charity
* any member in receipt of such a benefit has complied with this Code, i.e. declared the interest and where relevant withdrew from the discussion
* no more than two-thirds[[6]](#footnote-6) of the members of council are in receipt of such material indirect financial benefits in any financial year.[[7]](#footnote-7)[[8]](#footnote-8)

4.14 This restriction means that members of National Council are not eligible to apply for a grant either in their own name or through a company in which they have a controlling interest.[[9]](#footnote-9)

4.15 The restrictions in paragraphs 4.12-4.14 above only apply to members of National Council. Members of area councils, except the area council chair who is also a member of the National Council, may apply for funding as individuals. The applicant must disclose in their application that they are a member of an area council.

**5. RESPONSIBILTIES AS A COUNCIL MEMBER**

5.1 You should play a full and active role in the work of the relevant council. You should fulfil your duties and responsibilities responsibly and, at all times, act in good faith and in the best interests of Arts Council England.

5.2 You should promote an inclusive and diverse culture at Arts Council England and your actions should help create an environment where collaborative working and different perspectives and backgrounds are encouraged and valued.

5.3 You should deal with the public and their affairs fairly, efficiently, promptly, effectively and sensitively, to the best of your ability. You must not act in a way that unjustifiably favours or discriminates against particular individuals or interests.

5.4 You must not harass, bully or act inappropriately towards or discriminate against others. Such behaviour is not consistent with our expectations of board members and will not be tolerated.

5.5 You must comply with any statutory or administrative requirements relating to your post. Members of National Council are also trustees of the charity and are subject to the duties of trustees under charity and trustee law[[10]](#footnote-10).

5.6 You should respect the principle of collective decision-making and corporate responsibility. This means that, once the Council has made a decision, you must publicly and privately support that decision.

5.7 You must not use, or attempt to use, the opportunity of public service to promote your personal interests or those of any connected person, firm, business or other organisation.

5.8 You have additional responsibilities as a chair of a council or committee in leading and in ensuring that the principles covered in this Code are upheld.

**6. RESPONSIBILITIES TOWARDS EMPLOYEES**

6.1 You will treat any staff employed by Arts Council England with courtesy and respect. It is expected that employees will show you the same consideration in return.

6.2 You will not ask or encourage employees to act in any way which would conflict with their own Code of Conduct.

**7**. **SOCIAL MEDIA**

7.1 Social media is a public forum and the same considerations, including the provisions of this code, apply as would to speaking in public or writing something for publication, either officially or in a personal capacity. When engaging with social media you should at all times respect confidentiality, financial, legal and personal information.

7.2 Where any personal social media accounts used by you make reference or link to your Arts Council role, you should take care to ensure that it is clear in what capacity you are acting.

**8. Raising Concerns**

8.1 National Council members should ensure that Arts Council England has an open, transparent and safe working environment where employees feel able to speak up and raise concerns, and complaints procedures are clearly communicated to them.

8.2 If you have a concern about a possible breach of this Code, a concern that you or any staff of the body are being asked to act in contravention of their own code of conduct, or a concern about misconduct or wrongdoing in any other areas, then you have a responsibility to raise that internally with the Chair or the Chief Executive/Area Director as appropriate.

1. This includes facilities, equipment, stationery, telephony and other services. [↑](#footnote-ref-1)
2. Council members who misuse information gained by virtue of their position may be liable for breach of confidence under common law or may commit a criminal offence under insider dealing legislation. [↑](#footnote-ref-2)
3. www.cabinetoffice.gov.uk/content/public-bodies-and-appointments [↑](#footnote-ref-3)
4. www.gov.uk/government/publications/election-guidance-for-civil-servants [↑](#footnote-ref-4)
5. I.e. money, property, goods or services which have a monetary value [↑](#footnote-ref-5)
6. In a Council of 15, this would mean 10 members [↑](#footnote-ref-6)
7. The key test here is whether there is a clear link between the grant and/or payment for goods and services by Arts Council England and the financial benefits that the council member derives from the organisation. A council member employed by an organisation which receives some of its core funding from Arts Council England will be included in the calculation of the two-thirds limit. While a member employed as a consultant by an organisation which receives project funding from Arts Council England, where the council member has no involvement in that project would not count. [↑](#footnote-ref-7)
8. The definition of financial benefits does not include expenses, so the mere reimbursement of expenses only from an organisation the Arts Council funds or contracts with does not count in the calculation of the two thirds limit. [↑](#footnote-ref-8)
9. Has a controlling interest or has shares or securities with a nominal value of more than £25,000 or one-hundredth of the total issued share capital in the company or organisation. [↑](#footnote-ref-9)
10. National Council members must inform the Department of Digital, Culture, Media and Sport and Arts Council England of any change in their circumstances which result in them becoming bankrupt, or subject to a police investigation, convicted of a criminal offence, or disqualified from being a company director, should any such instances occur during their appointment. [↑](#footnote-ref-10)