



## **Inverness Harbour Trust code of conduct for members**

### **1. Introduction to the code of conduct**

The Scottish public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties for the public body. Although trust ports are independent statutory bodies members must meet those expectations by ensuring that their conduct is above reproach.

It is important therefore that members comply with appropriate standards of conduct and that on appointment members are required to confirm their commitment to this code of conduct.

It is the responsibility of members to ensure that they are familiar with this code of conduct and that they comply with the relevant provisions. No code can provide for all circumstances and any member who is uncertain about the rules is encouraged to seek advice from the Chief Executive.

### **2. Key Principles**

In producing this code of conduct members are expected to comply with the eight guiding principles of trust board membership adapted from the seven principles of public life, as defined in the Nolan Committee's First Report on Standards in Public Life, as follows.

#### **Independence**

Board members are appointed to act independently in the best interests of the trust port and its stakeholders

#### **Accountability**

Board members are accountable for their decisions and actions to all stakeholders of the trust port and should submit themselves to whatever scrutiny is appropriate to their office.

#### **Openness**

Board members should be as open as possible with all stakeholders about the decisions and actions they take. They should publicise the reasons for their decisions and restrict information only to the extent that matters of commercial or personal (personnel) confidentiality are involved.

## **Selflessness**

Board members should take decisions solely in terms of the interest of stakeholders of the trust port. They should not do so in order to gain financial or other material benefits for themselves, their family and friends or any group or organisation with whom they are associated.

## **Integrity**

Board members 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**

Board members should make choices on merit in carrying out port business, including making appointments, awarding contracts, or recommending individuals for rewards and benefits,

## **Honesty**

Board members have a duty to declare any private interests which might influence their trust port duties, and to take steps to resolve any conflict arising, in a way that protects the interests of stakeholders of the trust port.

## **Leadership**

Board members should promote and support these principles (and ensure that they are adopted by fellow board members) by leadership and through example.

## **3. The Code of Conduct**

### **a. Induction**

All new members are expected to undertake appropriate induction which will be arranged by the Board's executive.

### **b. Attendance at meetings**

Members should endeavor to attend all Board meetings. When a member is unable to attend a scheduled meeting they should submit their apologies in advance. Where a member expects to miss a number of meetings, due to illness or other good reason, they should seek leave of absence from the Chairman.

### **c. Conduct at meetings**

Members are expected to respect the Chair of the meeting and their fellow members and to comply with the rulings from the Chair in the conduct of the business of these meetings.

### **d. Fairness and impartiality**

Members should take decisions solely in the interests of the Board and its stakeholders. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

### **e. Confidentiality**

Members will often receive information of a private nature which is not yet public, or which perhaps would not be intended to be public. Members must always respect and comply with the requirements to keep such information private and all such information should be appropriately marked.

### **f. Collective responsibility for members**

Members should accept collective responsibility for enabling the Board to meet its strategic aim and objectives and for decisions taken by the Board. Members are expected to contribute to discussion and debate freely to enable robust decisions to be made. Members should recognize that decisions with which they disagree may be made by a majority of the Board. Members may dissent and make that dissent known publicly.

### **g. Declarations of interest**

Members are expected to declare relevant interests at meetings they attend. It is the responsibility of members to make decisions about whether they have to declare an interest or make a judgement as to whether a declared interest should prevent them from receiving detailed information, taking part in any discussions or voting on a particular issue.

### **h. Managing interests at meetings**

Members who may have an interest which could lead them to be influenced by the real possibility of significant personal gain (or loss) of a financial or non-financial nature then that interest will be deemed to be prejudicial. They should therefore not speak or vote on that matter and may also need to withdraw from the room whilst the matter is being discussed.

If a member has an interest in a matter where no significant personal gain or loss could arise, but has a personal connection or previous involvement in an issue, it will be a matter for the member's discretion whether to take part in the proceedings, based on whether the member feels he or she can bring an open mind to the question.

### **i. Conduct in relation to employees and contractors of the trust**

Members should respect the employees and contractors of the Board and treat them with courtesy at all times. It is expected that employees and contractors will show the same consideration to the Board and its members in return. Where a member has concerns about the conduct of a staff member they should contact the Chief Executive to try to resolve the issue informally. Formal complaints will be considered in line with the Board's complaints handling process.

### **j. Appointments to third party organisations**

Members may be appointed or nominated by the Board to act as a member of another body or organization. If so that member is bound by the rules of conduct of those organisations and the member's responsibility for any actions taken as a member of such an organization will be to the organization in question.

### **k. Communications with media and other external stakeholders**

Members should be aware that any public statement by them may be construed as the opinion of the Board. To this end members must seek approval and authorization from the Chairman and the Chief Executive.

### **l. Use of members' services**

Members must not seek any preferential treatment when using services provided by the Board for members or others.

### **m. Allowances and expenses**

Members are expected to comply with the Board's travel and expenses policy.

### **n. Gifts and hospitality**

Members should not accept any offer of a gift or hospitality arising from their Board role which could give rise to real or substantive personal gain or a reasonable suspicion of influence to show favour or disadvantage to any individual or organization. Similarly members should never use their Board role to canvass for or seek gifts or hospitality.

Members are personally responsible for all decisions connected with the acceptance of gifts or hospitality offered to them arising from their Board role and for avoiding the risk of damage to confidence in the Board. To this end members are expected to comply with the Board's gifts and hospitality policy.

### **o. Equality and diversity**

Members are expected to abide by all equalities legislation and help to deliver the Board's equality and diversity policy.

#### **4. Enforcement of the code of conduct**

Any alleged breach of this code of conduct should be referred to the Chief Executive in the first instance by way of a written complaint, either by letter or e-mail.

#### **5. Contravention**

Sections 2.4.6 to 2.4.8 and 2.9 of Modern Trust Ports for Scotland – Guidance for Good Governance sets out the provisions for dealing with breaches of the standards contained in the Guide – see Annex A attached.

## ANNEX A

### CONTRAVENTION

#### Termination of Appointment

- 2.4.6. Specific breaches of the standards contained in this guidance and any activities deemed inappropriate to the interests of the trust port, including those likely to bring the port into disrepute (including moral turpitude), or plainly outside the trust port's legislative or statutory framework, should result in disqualification of the board member.<sup>1</sup>
- 2.4.7. In addition, a board member, including the chairperson, should cease to hold office if a majority of the board requests his or her resignation in writing, and supports this with a resolution, passed at a full board meeting, that the board member has vacated office. The board may wish to consider making public the reasons for its actions (within the constraints imposed by civil and criminal law including data protection).
- 2.4.8. Boards may also consider whether, in the interest of natural justice, they should institute an independent appeals mechanism for members whose appointments have been terminated. Whatever the route taken it should be clearly seen to offer an open, accountable and impartial forum of final recourse for consideration of the board's decision.

#### 2.9 Probity and Interests

- 2.9.1. Prudent management requires that every trust port should be subject to the direction and management of a board that is fit for purpose. Individual board members should also be 'fit and proper' persons. Suitability can be determined with regard to an individual's competence, probity, soundness of judgement, personal reputation and character, and diligence. It can also be determined by whether membership of an individual would or does pose a threat to the interest of the whole including all the stakeholders. Suitability is for the board to consider before an appointment is made, and for the chairperson and executive to consider on a continuing basis and certainly before reappointment is recommended.
- 2.9.2. As a general rule, any board member who has previously been dismissed from any trust port board should not be considered for appointment. Neither should any applicant who is bankrupt or has a criminal conviction remaining unspent. An appointee should not be a current or recent member of another trust, company or local authority port board, where the other port might be viewed as a direct or indirect competitor of the appointing body.
- 2.9.3. All candidates short listed for board appointment should be asked to complete a screening questionnaire disclosing their interests and answering other questions about their fitness to serve.

- 2.9.4. One of the commonest complaints levelled at members of trust port boards and their executives by members of the public is that they are not acting in an independent and impartial manner. Candidates who declare a potential conflict of interest should not be automatically debarred. However, should they be short listed, they should be able to demonstrate an ability to act in an independent manner in the interest of the trust port to the satisfaction of the selection panel. Appropriate questions would need to be asked to determine whether there is a genuine conflict of interest and whether it would hamper an individual's compliance with the requirements of board membership and the national standards.
- 2.9.5. In accord with Government best practice, all trust ports should maintain a register of interests for its board. The information provided by appointees in their screening questionnaire should form the basis of their entry. This should be freely open to inspection by the public on request. It is the responsibility of the chairperson, chief executive and individual members to ensure that it is kept up to date. In addition all trust ports should, through the chairperson and chief executive provide members with guidance and help them to identify and register what may constitute a conflict of interest and what action would be appropriate to resolve it.
- 2.9.6. Registers of interest should include:
- pecuniary and non-pecuniary interests of members, their close family and associates which relate closely to the port's activities ; and
  - hospitality or gifts that could not be considered insignificant accepted by the board member or close family associated with the port and its operations.
- 2.9.7. Key elements of the register should be published in the annual report. Failure to disclose an interest otherwise discovered should be a matter for formal censure by the board, supported by a written warning from the chairperson or chief executive in the first instance. Further lapses (depending on seriousness) should be considered as grounds for termination.
- 2.9.8. In the course of board business it is possible that a member's declared interest may present a conflict with the matter under discussion. In these circumstances, board members must declare such conflicts of interest either before or at the board meeting in advance of any discussion of the item concerned, and must offer to withdraw. The chairperson, in consultation with the board, should decide whether or not a conflict does arise, and if it does, should ask the member to withdraw from the meeting for the duration of the item, or invite them to stay if they can contribute on a factual basis only. The fact that a member has declared an interest and the way in which this is handled should be recorded in the minutes.
- 2.9.9. The principles relating to conflict of interest should not apply to exclude the members of any consultative or advisory committee created or routinely consulted by the board.

2.9.10. As with declaration in the register, if it is subsequently discovered that a participating member failed to declare a relevant interest in the course of conducting board business, the chairperson should consult the chief executive to decide what action is merited in the interests of accountability and probity. Such action should, at the very least, result in a formal censure by the board. Further lapses (depending on seriousness) should be considered as grounds for termination.