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William Wragg MP
Chair Public Administration and
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House of Commons
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By email: pacac@parliament.uk

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Dear William

I am writing to you as Chair of the Public Administration and Constitutional Affairs Committee, following the oral evidence session on Tuesday 17 January 2023, regarding the Committee's inquiry into The Role of Non-Executive Directors in Government.

During the session, I said that I would write to the Committee in connection with how information can be made public on decision making processes and the management of conflicts of interest for the appointment of non-executive board members (NEBMs).

As the Committee is aware, the Government plans to regulate the appointment of NEBMs and further detail will be set out in the Government's response to the Committee on Standards in Public Life and Boardman reports.

In addition, there were other points raised during the session to which I would like to offer further supporting comments.

The Committee was interested to learn whether breaches of the Corporate Governance in Central Government Departments: code of good practice should be reported to the Cabinet Secretary and the Government Lead Non-Executive and published in the Government Lead Non-Executive's annual report.

The Corporate Governance in Central Government Departments: code of good practice operates on a comply or explain basis. Reasons for departure from the Code should be explained clearly and carefully in the governance statement accompanying each department's annual report and accounts. In providing an explanation, a department should aim to illustrate how its practices are both consistent with the principle to which the particular provision relates and contribute to good governance.

Any variations from the Corporate Governance Code should be subject to a proportionate response. If an occurrence was sufficiently serious it is possible that it may be raised with the Cabinet Secretary or the Government Lead Non-Executive.

Given that departments are already required to publish any breaches of the Code, inclusion in the Government Lead Non-Executive's annual report as well would seem to be duplicative. Having considered it, we believe the most appropriate location for this information for it to be focused is within the governance statement, contained within the annual report and accounts of the department concerned and which would contain all such breaches related to the board in question (if any).


The Committee asked what the evidence base is for the requirement to recruit NEBMs primarily from the commercial sector. As noted by the Committee, NEBMs are experts from outside government, coming primarily from the commercial sector, with experience of managing large and complex organisations. Most NEBMs have a broad range of experience, with the majority having a commercial background but also can deploy a wider range of experience.

The Cabinet Office monitors the skills and expertise brought by NEBMs. The data shows that 48% of NEBMs have NED experience within a FTSE 250 company or similar scale and 42% have experience as a Chair or CEO of a FTSE 250 company or similar scale. The data also shows that 48% of NEBMs have experience drawn from the charity sector.

The Committee also asked how good practice is defined, evidenced, and shared across departments. The NEBM network meets on a monthly basis where members have an opportunity to share good practice or seek advice from across departments. Additionally, the Government Lead Non-Executive's annual report includes case studies from each department on where it has been able to make progress, identify good practice and positive outcomes for the board.

I look forward to receiving your Committee's report in due course.

Yours sincerely,



**JEREMY QUIN MP
MINISTER FOR THE CABINET OFFICE
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