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Conflict of Interest Policy – April 2019

(The D2N2 Local Enterprise Partnership)

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Code of Conduct for Board Members (The D2N2 Local Enterprise Partnership)

Conflict of Interest policy for D2N2 LEP Board Members

The LEP is committed to ensuring that all Board Members and Officers act in line with the Nolan Principles of public life. This policy provides the detail of how LEP Board Members and Officers should consider conflicts of interest and declare any interests in line with the LEP's processes.

This policy explains the procedures through which the LEP will seek to maintain its high ethical standards and protect its reputation against any allegations of conflict of interest. It is communicated to everyone involved in the LEP to ensure their commitment to it and it applies to all staff and Board Members.

Board Members and staff take personal responsibility for declaring their interests and avoiding perceptions of bias. To demonstrate this all Board Members and staff produce and sign a register of interests and publication on the website which is reviewed every six months and updated regularly.

In addition, the LEP ensures that the Conflict of Interest Policy is followed through its decision making processes. It is committed to ensuring that this policy applies to decision makers regardless of whether there is a formal meeting. The LEP ensures that decisions are recorded and published regardless of how they are taken to ensure full transparency in all LEP decisions.

Definition

A conflict of interest is any situation in which an employee's or a board member's personal interests, or interests that they owe to another body, may (or may appear to) influence or affect their decision making. Identifying conflicts of interest

Conflicts can inhibit open discussions and may result in irrelevant considerations being taken into account or decisions being taken that are not in the best interests of the LEP. Conflicts may arise, for instance, where a Member's personal interests, for instance, as a shareholder in a company that is a potential beneficiary of grant funding, conflict with the interests of the LEP.

There may be commercial, actual or potential conflicts of interests. This policy covers all three types of interests.

Registering and declaring pecuniary and non-pecuniary interests

As a Board Member or staff member of the LEP, you must:

Within 28 days of taking office, notify your LEP Chief Executive and Accountable Body's Section 151/Section 73 Officer of any disclosable pecuniary interest, where the pecuniary interest is yours, your spouse's or civil partner's, or is the pecuniary interest of somebody with whom you are living with as a spouse, or as if you were civil partners.

Within 28 days of taking office, notify your LEP Chief Executive and Accountable Body's Section 151/ Section 73 Officer of any non-pecuniary interest which your LEP has decided should be included in the register or which you consider should be included if you are to fulfil your duty to act in conformity with the Seven Principles of Public Life. These non-pecuniary interests will necessarily include your membership of any Trade Union.

Review your individual register of interest before each board meeting and decision making committee meeting and declare any relevant interest(s) at the start of the meeting.

If an interest has not been entered onto the LEP's register, then the you must disclose the interest at any meeting of the LEP where you are present, where you have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'.

Following any disclosure of an interest not on the LEP register or the subject of pending notification, you must notify the LEP Chief Executive and Section 151/Section 73 Officer of the interest within 28 days beginning with the date of disclosure.

Unless dispensation has been granted, you may not participate in any discussion of, vote on, or discharge any function related to any matter in which you have a pecuniary interest. Additionally, you must observe the restrictions your LEP places on your involvement in matters where you have a pecuniary or non-pecuniary interest as defined by your LEP.

Categories of disclosable interest are stated in the LEP's register of interest.

LEP Board Member's and Officers should also familiarise themselves with the LEP's gifts and hospitality policy.

Procedure for managing conflicts

When an interest materially affects a member's ability to vote without prejudice, this will be deemed to be non-trivial and a conflict of interest. In such circumstances the member will withdraw from the meeting while the discussion and vote takes place.

Upon the declaration of any conflicts of interest at a meeting of the Board, the non-conflicted members will:

- assess the nature of the conflict;
- assess the risk or threat to member decision-making;
- decide whether the conflict is non-trivial (that is, it is material or has the potential to be detrimental to the conduct or decisions taken by the members); and
- decide what steps to take to avoid or manage the conflict.

The conflicted member must not take part in the discussion or decision and will not be counted when determining whether the Board meeting is quorate.

The non-conflicted members will consider whether it is necessary to seek the advice of the LEP's legal adviser on whether the conflict is nontrivial and/or on how to manage the conflict declared.

Subject to the provisions set out in the LEP's Articles of Association, if the non-conflicted members consider that the declared conflict is trivial, they may agree that the conflicted Member may continue to participate in discussions and the decision-making process.

If the non-conflicted members consider that the conflict is non-trivial, the non-conflicted members will determine what action is appropriate in light of the nature and extent of the conflict. A number of steps can be taken to deal with the conflict, including:

- excluding the conflicted member from discussions in relation to the matter to avoid inadvertently influencing the non-conflicted members;
- excluding the conflicted members from decision-making in relation to the matter while the conflict exists;
 - delegating the matter to a sub-committee of non-conflicted members;
- seeking independent advice to help with a decision;
- appointing an alternative, non-conflicted member;
- resignation of the conflicted member where the conflict is acute or pervasive; and/or
- applying to the court for directions.

The Chair of the Board will inform the conflicted member of the non-conflicted members' decision. The secretary to the Board will note in the minutes of the meeting the conflict declared, an outline of the discussion and the actions taken to manage the conflict.