

The Marches LEP Code of Conduct & Conflicts of Interests Policy

1. Introduction

- 1.1 Local Economic Partnerships (LEPs) are partnerships between Local Authorities and businesses. They are charged by government with setting the economic growth priorities for their areas, providing business-led solutions to meet the UK productivity challenge, through local investment in physical infrastructure, workforce skills & training and business innovation and enterprise.¹
- 1.2 Local planning authorities should use LEPs as a key source of information and guidance on the economic and business dimension of their plans and policies. LEPs should be treated as formal consultees in the plan and policy-making process, including providing them access to planning expertise.
- 1.3 Due to the close-knit nature of the LEPs' engagement with local authorities, and the representation of local business on each LEP Board, they are exposed to the potential for conflicting interests to emerge during their work. These conflicts can arise both within the operations of the LEP, and those of local authorities and privately held businesses.
- 1.4 The "Local Enterprise Partnership National Assurance Framework"² has been developed to guide local decision making to support accountability, transparency, and value for money. It requires that:
 - 1.4.1 LEPs have clear arrangements in place which enable effective and meaningful engagement with local partners and the public;
 - 1.4.2 LEPs operate transparently, giving the public confidence that decisions made are proper, based on evidence, and capable of being independently scrutinised; and,
 - 1.4.3 have a published conflicts of interest policy, a published register of interests covering any decision makers, which is kept updated, and a published complaints policy.
- 1.5 This policy is to ensure that any conflicts of interest which may arise in the LEP's business processes are recorded and managed. This is to protect the integrity of the LEP and to give stakeholders confidence in the probity of the LEP's decision-making. Therefore, it helps to protect the reputation of the LEP and of its members.

¹ <https://www.gov.uk/government/publications/2010-to-2015-government-policy-local-enterprise-partnerships-leps-and-enterprise-zones/2010-to-2015-government-policy-local-enterprise-partnerships-leps-and-enterprise-zones>

² <https://www.gov.uk/government/publications/local-enterprise-partnership-national-assurance-framework>

2. **Applicability**

- 2.1 These arrangements apply to the LEP Board, its staff (where applicable) and committees, groups, and any co-opted members or advisers to the LEP.
- 2.2 The principles also apply to the LEP's wider business membership or those purporting to speak for the LEP.
- 2.3 All participants in decision-making fora, including the Board and any of its subsidiary entities shall be required to abide by the 'Code of Conduct' set out in the LEP Board Terms of Reference.
- 2.4 Where other codes of conduct or policy arrangements apply to members in their respective roles outside of the LEP, the LEP's Code and Policy take precedence whilst that member is acting for the LEP.
- 2.5 Interests in matters relating to the Agenda of any meeting shall be declared and noted at the beginning of each meeting.
- 2.6 All LEP Board members and staff are required to conduct themselves in accordance with the 7 Nolan Principles of Public Life at Appendix A.

3. **Definitions**

3.1 **Interest**

- 3.2 An interest in a matter is where there is a reasonable likelihood of the person (or other parties as defined at 3.4 below) being affected by the decision, either directly, or indirectly. This may include both gain and loss to the person/ parties which would not have happened had the interest not existed.

- 3.3 Interests may be associated with, for example, employment, other appointments (including trusteeships, directorships, elected office), memberships (whether corporate or personal), investments, shareholdings, land and property, intellectual property, customer/client relationships, use of the LEP's services or anything else which could (or could be perceived to) impact on the member's ability to act fairly (independently, impartially, and in the public interest).

3.4 **Relevant Parties**

- 3.5 The following parties should be considered when assessing the potential effect of a member's declared interest on any decision:

- 3.5.1 the member, the member's family, including spouse or civil partner or any person living in the same household as the member;
- 3.5.2 a firm, business, or other organisation with which the member is connected.

3.6 **Pecuniary Interest**

- 3.7 An interest through which the member or Relevant Party stands to gain or lose financially.

3.8 **Non-pecuniary Interest**

- 3.9 An interest through which the member or Relevant Party stands to gain or lose in non-financial ways.

3.10 **Conflict of Interest**

- 3.11 A conflict of interest is a situation in which one cannot make a fair decision on a matter because one may be affected by the result due to competing interests or loyalties.
- 3.12 Examples of conflicts of interest are included in Appendix B - Additional Guidance for Board Members.

4. Policy Statement

- 4.1 Marches LEP Board (the Board) recognises the potential for actual or perceived conflicts of interest to arise throughout the conduct of its business.
- 4.2 The Board will support its members to conduct LEP business effectively, while minimising exposure to disadvantageous outcomes and criticism arising from such potential conflicts.
- 4.3 The Board further recognises and accepts that this requires the highest standards of conduct, integrity, accountability, transparency, openness, and probity at each stage of the LEP's business.
- 4.4 The Board shall act impartially, and in the public interest throughout the conduct of its business.
- 4.5 The Board will apply the standards and procedures set out in this document and any related local and national Assurance Framework provisions to address the circumstances in which actual or perceived conflicts of interest might arise.

5. Policy Provisions

- 5.1 The Board will establish and keep up to date a Register of Members' Interests which shall be available to the public.
- 5.2 Members must declare any potential conflicts of interest at the start of the meeting and again when the relevant item is reached on the agenda, regardless of whether it is already included in the Register of Interests.
- 5.3 Declarations shall be recorded in the minutes of meetings.
- 5.4 Members may not participate in the discussion or determination of matters in which they have a pecuniary interest.
- 5.5 For non-pecuniary interests, the member must consider whether participation in the discussion or determination of a matter could cause a bias or be otherwise inappropriate.

6. The Register of Declarations of Interest

- 6.1 The Secretariat will maintain the Register of Interests for all members of the LEP Board and sub-boards, as well as any other constituted LEP groups which make decisions on behalf of, or makes recommendations to the Board.
- 6.2 Members must declare their interests for inclusion in the Register immediately upon joining a constituted LEP group.
- 6.3 The Register of Interests shall be available to the public.

- 6.4 Members must update their declarations as and when interests change and annually.
- 6.5 The LEP shall use the Register to monitor its compliance, and the compliance of the individuals completing it, with the LEP's Conflicts of Interest Policy.

7. Managing Conflicts of Interest

- 7.1 Where pecuniary interests are identified, and declared, the member shall absent themselves from the meeting and take no part in discussions or decisions.
- 7.2 Where interests other than pecuniary interests (see paragraph 5.5 above) are declared, the member is responsible for deciding whether they should:
 - 7.2.1 participate in the discussion of that matter;
 - 7.2.2 remain in the room for the discussion of that matter;
 - 7.2.3 Be counted in the quorum for that part of the meeting.
- 7.3 Where decisions or recommendations are made by written procedure, any member with a conflict of interest must immediately notify the Chair and take no part in the voting.
- 7.4 The Secretariat shall minute all such declarations and associated proceedings.

8. Code of Conduct

- 8.1 A Board Member or member of staff shall not use their position directly or indirectly, for personal gain.
- 8.2 Additionally, they must:
 - 8.2.1 Support the aims and objectives of the LEP and promote the interests of the LEP within their local and business community.
 - 8.2.2 Base their views on matters before the Board on an honest, reasonable, and defensible assessment of the available facts.
 - 8.2.3 Cooperate with other members and officers in the best interests of the LEP and the public.
 - 8.2.4 Support equal opportunities in the work of the LEP and make provision for it within the Strategic Economic Plan.
 - 8.2.5 Acknowledge that they have no authority outside meetings of the LEP Board and its groups and committees.
 - 8.2.6 Act honestly, diligently and in good faith, noting that to do so may require taking professional advice.
 - 8.2.7 Resist any temptation or outside pressure to use the position of Board Member to benefit themselves or other individuals or agencies.
 - 8.2.8 Not accept offers of money, gifts, or hospitality, or anything else that could be construed as an inducement or reward for any action or position adopted whilst serving as a member of the Board.

- 8.2.9 Acknowledge that differences of opinion may arise in discussion but once the Board has decided, to support implementation of the decision.
- 8.2.10 Understand that members do not have the right to make statements or express opinions on behalf of the Board unless specifically authorised to do so.
- 8.2.11 Respect the confidentiality of items of business which the Board decides should remain confidential (where permitted by law).
- 8.2.12 Honour the obligations on all members not to reveal to third parties the views expressed at meetings.
- 8.2.13 Have regard to the broader responsibilities as a Board including the need to promote public accountability for the actions and performance of the Board.
- 8.2.14 Take or seek opportunities to enhance their effectiveness as a member through participation in training and development programmes and by increasing their knowledge of the Marches economy and the LEP.
- 8.2.15 Give priority, as far as practicable, to attendance at meetings of the Board and its meetings and its committees or groups.
- 8.3 Any Board member who has or has had an interest in a company liquidation, receivership, or administration of a company, or who has been summonsed or convicted of a criminal charge, or who has been involved in any activity which might undermine public confidence in the LEP shall immediately inform the Chair and LEP Director.
- 8.4 If a Board Member becomes bankrupt, or makes arrangements with his/her creditors related to bankruptcy, he/she shall inform the Chair and the LEP Director.
- 8.5 Within 5 working days of receipt, notify the LEP Team in writing of any gift, benefit or hospitality with a value equal to or more than £50 which you have accepted as a member of the Board, from any person or body. The LEP Team will place your notification on a public register of gifts and hospitality.

9. Review

- 9.1 The Board shall keep under review the provisions set out in its Accountability and Assurance Framework (AAF), including this document.
- 9.2 The Board will discuss and propose changes to the AAF as and when deemed necessary, and formally at least once a year.
- 9.3 The Board will keep their private sector representation under review, in accordance with the Terms of Reference for the LEP Board and each of its sub-groups.

10. **Appendix A - Nolan Principles of Public Life**

Selflessness

Act solely in the public interest.

Integrity

Avoid placing yourself under any obligation to people or organisations that might try inappropriately to influence them in their work.

You must not act or take decisions to gain financial or other material benefits for yourself, your family, or your friends.

You must declare and resolve any interests and relationships.

Objectivity

Act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Be accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Act and take decisions openly and transparently.

Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Be truthful in your statements.

Leadership

Exhibit these principles in your conduct.

Actively promote and robustly support the principles and be willing to challenge poor conduct wherever it occurs.

11. **Appendix B – Additional Guidance for Board Members**

Examples of Potential Conflicts of Interest and Proposed Mitigation

Example 1: A Board Member participates in the commissioning process for the purchase of a service for the LEP but he/she, a spouse or business associate has a financial interest in one of the organisations that is a candidate for funding.

Mitigation 1: The Board Member does not attend meetings where the purchase is under consideration and does not take a role in authorising such a purchase.

Example 2: A Board Member participates in the commissioning process for the purchase of a service for the LEP but he/she, a spouse or close business associate has a non-financial interest in one of the organisations that is a candidate for funding e.g. is a member of the Board of that organisation but receives no remuneration or other financial compensation for that role.

Mitigation 2: The Board Member is excluded from the process, and if it becomes known during the process, that the process is restarted without that individual's participation.

Example 3: A Board Member is in a meeting where the views of both the LEP and another organisation with which the Board Member has some association could be given. The views may be different for each organisation.

Mitigation 3: The Board Member should make the LEP aware in advance of such meetings where they think confusion around representation may occur. The LEP can then provide a briefing for the Board Member to follow, if that is appropriate. All Board Members should be clear in meetings in what capacity they are speaking and follow the LEP brief if available.

Example 4: A Board Member is corresponding with a LEP stakeholder where the views of either the LEP or another organisation with which the Board Member has some association could be given and may be different.

Mitigation 4: In all forms of communication where such circumstances arise, the Board Member must be clear who they are representing e.g. if corresponding by letter or e-mail make sure the appropriate letterhead or electronic signature is used and emphasise in the text of the correspondence which organisation's interests are being represented in any Board Member response.

Example 6: A Board Member can determine a policy or strategy for the LEP in such a way that will give another organisation with which they are associated an unfair advantage over its competitors.

Mitigation 6: The Board Member does not have sole responsibility for signing off such matters.

Example 7: A Board Member is also a Board Member of another LEP that is competing for the same funds, or where he/she or his/her spouse or his/her

business can exploit an opportunity that the Marches LEP also wishes to exploit.

Mitigation 7: The Board Member does not attend meeting where the funding opportunity is discussed and does not take part in any decisions arising from those meetings.

Example 8: A Board Member has an historical connection to the potential beneficiary of a decision, sufficient to require the conflict to be declared.

Mitigation 8: The Board Member does not attend meetings where the decision is under consideration and does not take a role in authorising the decision.

12. **Appendix C – Potential Sources of Interests**

12.1 The following table sets out some potential sources from which interests can arise.

Subject	Description of interest
<i>Employment, office, trade, profession, or vocation</i>	<i>Any employment, office, trade, profession, or vocation carried on for profit or gain which you or the relevant party undertakes.</i>
<i>Sponsorship</i>	<i>Any payment or provision of any other financial benefit (other than from the LEP) made or provided in respect of any expenses incurred by you in carrying out duties as a member.</i>
<i>Contracts</i>	<p><i>Any contract which is made between you or the relevant party (or a body in which you or the relevant party has a beneficial interest) and the LEP –</i></p> <p style="padding-left: 40px;"><i>(a) under which goods or services are to be provided or works are to be executed; and</i></p> <p style="padding-left: 40px;"><i>(b) which has not been fully discharged.</i></p>
<i>Land</i>	<i>Any beneficial interest in land which you or the relevant party have and which is within the area of the LEP.</i>
<i>Licences</i>	<i>Any licence (alone or jointly with others) which you or the relevant person holds to occupy land in the area of the LEP for a month or longer.</i>
<i>Corporate tenancies</i>	<i>Any tenancy where (to your knowledge) the tenant or landlord is a relevant party</i>
<i>Securities</i>	<i>Any beneficial interest which you or the relevant person has in securities of a body where that body (to your knowledge) has a place of business or land in the area of the LEP.</i>

13. **Works Cited**

- 13.1 Marches LEP Code of Conduct & Conflicts of Interest Policy. Web. 14 May 2017.
- 13.2 "2010 to 2015 Government Policy: Local Enterprise Partnerships (LEPs) and Enterprise Zones." 2010 to 2015 Government Policy: Local Enterprise Partnerships (LEPs) and Enterprise Zones - GOV.UK. Web. 14 May 2017.
- 13.3 "Local Enterprise Partnership National Assurance Framework." Local Enterprise Partnership National Assurance Framework - GOV.UK. Web. 14 May 2017.

The Relevant Authorities (Disclosable Pecuniary Interests) Regulations