

Part 5

Section 5.5 – Conflicts of Interest Policy

1. Introduction

- 1.1. The Leeds City Region Enterprise Partnership (the LEP) and the West Yorkshire Combined Authority (the Combined Authority) are committed to ensuring that the Members and officers act in line with the **Nolan Principles** of public life, which are selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- 1.2. This Conflicts of Interest Policy applies to:
 - any member of the LEP Board,
 - the Mayor and any other Combined Authority Member,
 - any voting Co-optee on a Combined Authority committee or panel, including any advisory panel which reports to the LEP,
 - any officer of the Combined Authority, and
 - any officer of a local authority who advise the Combined Authority or LEP, and
 - any non-voting member.-
- 1.3. The policy provides an overview of how conflicts of interest are managed, by reference to the procedures which the LEP and the Combined Authority have in place to maintain high ethical standards and protect their reputation against any allegation of conflicting interests. These include requirements to register and declare interests.
- 1.4. The policy must be followed throughout all decision-making processes; the LEP and the Combined Authority are committed to ensuring that this policy applies to decisions taken at formal meetings or by individuals on behalf of the LEP or the Combined Authority under delegated authority. It is communicated to everyone involved in decision-making by the LEP and Combined Authority, to ensure their commitment to it.
- 1.5. To ensure transparency, the LEP and the Combined Authority record and publish decisions in accordance with agreed procedures.

2. Definition

A conflict of interest is a set of circumstances which creates a risk that an individual's ability to apply judgement or act in a role is, or could be, impaired or unduly influenced by a secondary interest of that individual, or of another person.

- 2.1. For example, a conflict of interest would arise where a member of the LEP Board has an interest, for instance, as a shareholder in a company that is a potential beneficiary of grant funding, conflicting with the interests of the LEP.

- 2.2. Conflicts of interest may 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 nor of the Combined Authority.
- 2.3. This policy covers **commercial, personal, actual or potential conflicts of interests**; for the purposes of this policy, the *perception* of competing interests, impaired judgement or undue influence can also amount to a conflict of interest.

3. General

All members and officers must **take personal responsibility** for declaring their interests and avoiding perceptions of bias.

Where any conflict of interest arises outside of those which they are specifically required to register or declare, they should **err on the side of caution** and declare these interests in line with the Nolan Principles.

- 3.1. This policy applies whether they are decision-makers, consultees or involved in any other way in relation to any decision to be taken by the LEP, the Combined Authority or the Mayor.

4. Members of the LEP Board

- 4.1. Members of the LEP Board are required to comply with the **LEP Board Members' Code of Conduct**. The Code requires members to comply with the Nolan Principles and sets out the procedures for registering and declaring pecuniary and non-pecuniary interests, and managing conflicts which arise at a formal meeting of the LEP Board. It also extends to any conflict of interest arising in respect of an urgent decision taken by the Chair on behalf of the LEP.
- 4.2. The LEP Board's **Procedure for Considering Complaints** alleging a failure to comply with the LEP Board Members' Code of Conduct sets out the process that the LEP will follow if a member of the LEP Board is alleged to have failed to comply with the Code.
- 4.3. **Registers of interests** completed by members of the LEP Board are published on the Combined Authority's web-site, accessible from the LEP's web-site.
- 4.4. The Code also includes specific requirements and restrictions in relation to disclosing an interest:
 - when **considering applications for funding**
 - when **applying for a loan or grant**
 - when **applying to provide contracted work or services.**

- 4.5. It also addresses **canvassing for appointments** to the Combined Authority.
- 4.6. The Code of Conduct sets out requirements for declaring pecuniary and other interests at formal meetings of the LEP Board. The **Conflicts of Interest Protocol: applications for loans or grants** manages conflicts of interest which may arise when a decision is taken by an officer, in respect of a loan or grant from the LEP or the Combined Authority.

5. **Combined Authority Members and Voting Co-optees on any Combined Authority Committee or Panel**

- 5.1. These members are required to comply with the **Combined Authority's Members' Code of Conduct** in Part 5 of the Constitution. The Code sets out the procedures for registering and declaring pecuniary and other interests, and managing conflicts which arise at any formal meeting of the Combined Authority or a committee or panel appointed by the Combined Authority, including advisory panels which report to the LEP.
- 5.2. The Code of Conduct sets out requirements for declaring pecuniary and other interests at formal meetings, where members are decision-makers. The **Conflicts of Interest Protocol: applications for loans or grants** manages any conflict of interest which may arise when a decision is taken by an officer, in respect of a loan or grant from the LEP or the Combined Authority.
- 5.3. The Combined Authority's **Procedure for Considering Complaints** alleging a failure to comply with the Members' Code of Conduct in Part 5 of the Constitution sets out the process to be followed if a member is alleged to have failed to comply with the Code.
- 5.4. **Registers of interests** are published on the Combined Authority's web-site.
- 5.5. Article 12 (Officers) in Part 2 of the Constitution also specifies additional requirements and restrictions in relation to:
- **canvassing for appointments** to the Combined Authority, and
 - **disclosing any relationship** between the member and an officer, or a candidate for employment.

6. **Officers**

- 6.1. Officers of the Combined Authority must comply with the **Combined Authority's Officer Code of Conduct** and **Gifts and Hospitality Policy** in Part 5 of the Constitution when they are working for the Combined Authority or advising the LEP.
- 6.2. The **LEP Constitution** also requires:
- senior officers of the Combined Authority and officers involved in advising the LEP to complete a **LEP Officer's register** of interests,
 - any officer from another local authority advising the LEP to comply with their authority's officer Code of Conduct, and

- any officer advising the LEP Board to be mindful of potential conflicts of interest, and exclude themselves for advising on any matter where their personal or professional interests are such that their integrity or objectivity may be questioned.
- 6.3. Article 12 (Officers) in Part 2 of the Constitution requires officers of the Combined Authority to disclose any **relationship with a member**. It also reflects statutory provisions relating to:
- prohibiting officers from being operators, directors, partners or employees of public passenger transport services, and
 - recording **pecuniary interests in contracts**.
- 6.4. The **Combined Authority's Contracts Standing Orders** in Part 4 of the Constitution addresses potential conflicts of interests arising in respect of **contracts** with the Combined Authority for goods, services or an interest in property.
- 7. Loans or Grants to Businesses**
- 7.1. At the request of members, to promote greater transparency, the **Conflicts of Interest Protocol: loans or grants to businesses** in Part 5 of the Constitution, sets out a process which the LEP and the Combined Authority follows to demonstrate that applications from businesses for loans or grants are dealt with in an impartial, fair and transparent way outside of formal meetings, by an officer. It provides a safeguard (for the LEP, the Combined Authority and for applicants) to minimise the risk of reputational damage from any perception of undue influence.
- 7.2. The process requires additional scrutiny of any application where a potential conflict of interest arises.
- 8. Adult Education**
- 8.1. In accordance with statutory guidance related to devolved Adult Education Budgets, the Combined Authority has approved a Conflicts of Interest Protocol: Adult Education Budget in Part 5 of the Constitution.

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