



Conflicts of Interest Policy

Date: January 2018

What is an interest that needs to be declared?

This is an outline of the types of interests with which the board members of Cornwall and Isles of Scilly Local Enterprise Partnership Limited should be concerned. It is a summary: a full definition is set out at article 1 of the articles of association. The way in which conflicts are to be dealt with is set out in article 14 of the articles.

By way of reminder, the Companies Act 2006 requires directors to avoid situations in which a director "has (or can have) a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company". If a director is so interested, s/he must declare the nature and extent of that interest to the other directors before the company enters into the transaction or arrangement.

Conflicts of interest are not always easy to identify. The National Audit Office has defined *Conflicts of interest* in its Cross-government Conflicts of Interest report 2015 as "a set of circumstances that creates a risk that an individual's ability to apply judgement or act in one role is, or could be, impaired or influenced by a secondary interest. The perception of competing interests, impaired judgement or undue influence can also be a conflict of interest."

You need to think just not about your own position and interests but also those of your relations (referred to in this note as "**Your Relations**"), defined as being:

1. a member of your family; and
2. a person with whom you have a close association.

You need to think about the business organisation that the LEP is considering at the meeting and if you or Your Relations have a relationship with that business organisation, you will have an interest to declare. The relationships that you need to think about are where:

1. the business organisation is your employer or the employer of Your Relations;
2. you or Your Relations provide goods or services to the business organisation;
3. you or Your Relations are a director, shareholder, partner or member of the business organisation; or
4. you or Your Relations are otherwise in a position of general control or management of the business organisation. Referred to in this note as "**Business Organisations**".

You need to think about the geography of the item on the agenda. If there is an item on the agenda that involves your neighbourhood, land that you, Your Relations or any of the Business Organisations own (or enjoy) or is in your constituency or the constituency of Your Relations, you will have an interest to declare. If the decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of Your Relations to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the electoral division or ward affected by the decision, you will have an interest to declare. This may be called a "**Geographical Interest**".

You need to think about monies that you receive (or may receive) from the Business Organisation. Examples include (and categorised as a "**Financial Interest**"):

1. payments relating to election duties;
2. expenses incurred; and
3. gifts or hospitality with a value over £25.

As soon as you become aware (or ought reasonably to have become aware) that you have an interest, you need to disclose the full nature and extent of that interest (unless the proviso below applies). The preference is to declare it before the meeting (so that the meeting can consider the point on the agenda) however this does not prevent a declaration at the meeting when the interest becomes apparent.

There may be circumstances where the interest is held but the board member is under a duty of confidence to a third party not to disclose or there is a risk that disclosure would risk the board member's safety. In such circumstances, the full nature and extent of the interest need not be declared.

In the event of an interest being declared, the board member needs to provide the relevant committee appointed to deal with interests/board with such details of the interest as may be requested by the committee/board to help them decide how to address the interest.

Board Members are asked to complete and return a Register of Interest Form which is updated annually and published on the LEP website.

A Declarations of Interests form is also circulated to all Board Members one week in advance of Board Meetings. Board Members are asked to be complete and return to the LEP Executive and Governance Manager not less than three days before a Board meeting.